FINANCIAL TIMES
PUBLISHED IN LONDON AND FRANKFURT
No. 28,119
Saturday March 15 1980
***20p
CONTINENTAL SELLING PRICES: AUSTRIA Sch 15; BELGIUM Fr 25; DENMARK Kr 4.25; FRANCE Fr 4; GERMANY DM 2.0; ITALY L 700; NETHERLANDS Fl 2.0; NORWAY Kr 4.25; PORTUGAL Esc 35; SPAIN Pta 70; SWEDEN Kr 3.75; SWITZERLAND Fr 2.0; EIRE 20p; MALTA 20c

NEWS SUMMARY

GENERAL

Warsaw air crash kills 87

A Polish airliner crashed while approaching Warsaw airport, killing all 87 people on board including an entire U.S. amateur boxing team.

Fourteen boxers and six accompanying staff — doctors, coaches, and referees—were aboard the flight on their way to a three day match with Poland's national team.

The Soviet built Ilyushin 62 crashed two miles from the runway—its wreckage landing in the middle of a 19th century fortress.

Rhodesia's date for independence

Prince Charles will represent the Queen when Rhodesia becomes the fully independent Republic of Zimbabwe at midnight on April 17, about five weeks later than first planned.

Lord Soames, the Governor, *is to retur nto Britain tomorrow* for three days consultations with Foreign Secretary Lord Carrington on Britain's future relationship with the country. Back Page

Thatcher demos

Prime Minister Margaret Thatcher encountered widespread demonstrations on a tour through Yorkshire. Eight arrests were made for "disorderly behaviour" in Hull.

Elections marred

Iran's parliamentary elections were marred by claims of electoral malpractices, a low turnout and confusion over polling procedures. Page 2

Afghan accord

Romania and Britain issued a joint statement in Bucharest implicitly condemning the *Soviet invasion of Afghanistan* and calling for international disputes to be resolved by negotiations—not force. Page 2

Body identified

Human remains found in a Belfast rubbish tip this week are those of West German industrialist and diplomat Thomas Niedermayer, who was abducted six years ago, police confirmed.

Casino sackings

Ladbrokes made 285 casino employees in London redundant after failing in the High Court to win back three Mayfair licences removed because of breaches of the Gaming Act. Page 3

BSC documents

Judgment was reserved on the British Steel Corporation's High Court claim that Granada Television should name the person from whom it obtained leaked BSC policy documents which were used in a World in Action programme. *Steel strike news,* Back and Page 4

Tito has fever

President Tito developed *a high* fever on top of persistent pneumonia and a weakening heart, and his doctors said he was not responding to intensive treatment.

Clocks forward

British Summer Time begins officially at 2 am Greenwich Mean Time tomorrow. Clocks should be put forward one hour.

Briefly . . .

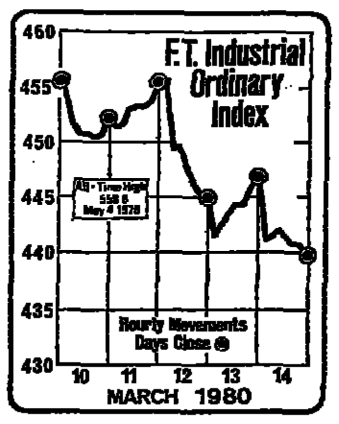
China denied a Hong Kong report that China planned to tear down Chairman Mao Tse-Tung's mausoleum.

San Marino elected a Communist mason and a Socialist lawyer as joint heads of state.

BUSINESS

Equities weaken; Gilts and £ steady

● **EQUITIES** weakened and the FT 30-share index fell 7.1 to *439.9* for a loss on the week of 15.8. The Gold Mines index fell 13.0 to 286.5.



● **GILTS** held firm especially longs which ended about ½ higher. The FT Government Securities index gained 0.12 to 64.22.

● **DOLLAR** again rose to SwFr 1.7540 (SwFr 1.7425) and DM 1.8325 (DM 1.8210) although closing below the day's highest levels. Its index rose to 88.3 (87.8), its highest level since June, 1978.

● **STERLING** was firm against Continental currencies and its index rose to 72.3 (72.2). Against the $ it weakened to $2.2145 ($2.2230).

● **GOLD** fell $25.50 to $530 in London.

● ***WALL STREET*** was 0.34 higher at *809.90* shortly before the close.

Change at Grand Metropolitan

● **TOP MANAGEMENT** of Grand Metropolitan, the UK hotels, drinks and leisure group, *is undergoing a major change* following the surprise resignation of one of its joint managing directors. Page 3

● ***ROYAL DUTCH SHELL*** Group is the front-runner to become the main shareholder in a £30m titanium project being developed in Shotton to produce high-grade light metal. Back Page

● **FIAT**, Italy's largest private company, has sharply attacked the State-controlled *Alpha* Romeo car group for a planned co-operation deal with Nissan of Japan. Page 2

● ***NORTH SEA SUN OIL*** *has* made a potentially commercial oil find North-East of Aberdeen close to Thelma and Andrew fields. Page 3

LABOUR

● **THE GOVERNMENT** has begun making pay offers to Civil Service unions within hours of announcing a cash limit for pay rises of 14 per cent. Back Page

COMPANIES

● **BOARD** of Furness Withy, the shipping concern, is recommending shareholders to accept a £112.5m bid by C. Y. Tung, of Hong Kong. Back Page

● **LONRHO**, the international trading conglomerate, has won shareholders' support for the creation of 40m new shares to increase its capital from £62.5m to £72.5m. Page 18

● **VEBA**, Germany's largest industrial company, has followed most of the world's oil companies by reporting increased 1979-pre-tax profits of DM 1.5bn (£374m) against 1978's DM 856m. Page 21

● **ELECTROLUX**, the Swedish household appliances group, reports 1979 pre-tax profits of SKr 915m (£96.3m) which is 35 per cent of 1978. Page 21

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES			Sterling Credit	14	− 3
Fndng. 6¼pc '85-87	£73¼	+ ½	BP	352	− 14
Treas. 12¼pc '03-05A	£87	+ ½	Ultramar	506	− 16
Furness Withy	385	+ 7	Ashton Mining	115	− 8
HTV A	97	+ 6	Coronation	290	− 40
Lovell (Y. J.)	122	+ 6	General Mining	770	− 90
Royal Worcester	225	+ 9	Gold Fields of SA	£34	− 2½
Schroders	497	+ 22	Hartebeest	£23¼	− 1½
Falcon Mines	850	+ 20	*Johannesburg Cn.*	£26¼	− 2¾
FALLS			Leichardt Expln.	240	− 35
Abercom	115	− 10	Northern Mining	105	− 15
Blue Circle	296	− 6	Otter Expln.	66	− 4
Channel Tunnel	135	− 98	Pacific Copper	156	− 14
Clive Discount	43	− 4	Palabora	750	− 50
Dalgety	263	− 7	Pancontinental	300	− 35
De La Rue	620	− 35	President Steyn	£14½	− 1
ICI	363	− 7	Rustenburg Plat.	214	− 16
Intnl. Thomson	444	− 16	Samantha	66	− 6
Johnson Matthey	267	− 10	Vaal Reefs	£21¾	− 2¾
More O'Ferrall	130	− 7	Welkom	578	− 56
Peachey Property	131	− 5	West Driefontein	£27¾	− 2

Price inflation rate expected to pass 20% mark by April

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

The annual rate of retail price inflation is climbing steadily toward a peak of more than 20 per cent in the early summer.

Department of Employment figures published yesterday show that the retail prices index rose by 1.4 per cent last month to 248.8 (January 1974=100).

This takes the 12-month rate of increase to 19.1 per cent, highest level for nearly four years and almost double that of a year ago. The comparable figure in January was 18.4 per cent, well above the international average rate, about 14 per cent, in January.

The acceleration in inflation over the last year mainly reflects the combination of higher oil prices, a faster increase in labour costs, increased public-*sector charges* and *higher interest* rates.

Cost of housing, for example, has risen by 26.8 per cent in the last 12 months, chiefly because of the higher mortgage rate, and cost of transport and vehicles by 23.7 per cent.

Food prices have increased by 12.8 per cent ,largely reflecting the impact of milder weather this winter on cost of seasonal foods, up only slightly over 8 per cent in the past year.

Some large price increases are in the pipeline. The higher prices for milk, petrol, beer and coal will affect the March index.

The biggest jump is likely to come in April, when local authority rate increases add ¾ per cent to the index. There will be *higher* council rents, higher gas and electricity charges (phased over three months), dearer prescriptions and higher Tube fares, as well as any indirect tax increases in the Budget.

Consequently, the 12-month rate looks certain to move above 20 per cent in April. The peak should be only a month or two later, and the 12-month rate should drop in July, since the large price increases caused by last summer's Budget will drop out of the comparison then.

This purely statistical improvement may not reflect any *immediate slowing in the underlying* rate.

Many economists believe that the 12-month rate is likely to be between 15 per cent and 17 per cent at the end of 1980, and should fall slowly next year in response to the recession, a tight monetary policy and possibly *weaker trend of commodity* prices.

The fall in metal and some other world commodity prices *in the last month suggests that* the worst may be over in raw material costs, but earlier rises still have to feed through.

The big uncertainties are sterling and wages.

The best guide to underlying trend of retail prices is normally the index for all items except seasonal food in the last six months. Expressed at an annual rate, this was 15.8 per cent last month.

The Government has tried to offset some of the unfavourable impact of retail prices increase by drawing attention to its tax and price index, which adjusts for impact of direct tax cuts.

The index increased by 16.9 per cent to 125.3 (January 1978=100) in the year to February, against 16.1 per cent rise previously. Thise shows increase in gross earnings needed by the average taxpayer to maintain real value of his take-home pay.

The rise in retail prices index last month was due mainly to increases in motoring costs, particularly petrol prices, in level of mortgage interest pay-*ments, in postal and telephone* charges, in school meals and in bus fares.

Editorial comment, Page 16

Sir Michael to remain at BL an extra year

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

SIR MICHAEL EDWARDES is to continue in an executive role at BL at least until the end of 1981. Under the terms of his three-year contract he *was due* to resign as chairman and chief executive at the end of October this year.

Sir Michael announced his *decision yesterday after* BL revealed it had made a loss, after tax and extraordinary items, of £144.5m in 1979 compared with a loss of £37.7m the previous year.

The group has budgeted for a further loss in 1980 and Sir Michael said BL did not expect "to enter calmer waters before 1981." He and the present board would stay on to provide continuity.

However, Sir Michael made it clear he would not necessarily retain the positions of both chairman and chief executive for the rest of his stay with BL.

"I remain flexible on that. We now have a stronger top management team than this group has ever had before." There is a stability which goes pretty deep."

He said the task of the present board was to reduce overmanning and excess capacity and to replace those models which were non-competitive with new products, to slim *the company down to* a *level* which could be sustained, make it profitable and viable and eliminate the heavy cash flow deficit.

Earlier in the day there was a meeting between the management of BL Cars and representatives of the hourly-paid unions about what Sir Michael described as "the major outstanding industrial relations problem"—pay and working practices in the cars division.

Negotiations have so *far* dragged on for more than four months but after yesterday's meeting Mr. Ray Horrocks, managing director of BL Cars, *said:* "*We are pleased with the* outcome."

The two sides are to meet again on Monday and the indications are that the deadlock might be broken. Mr. Terry Duffy, president of the Amalgamated Union of Engineering Workers, said he agreed *to Monday's meeting because* "we felt it would be in the interests of both sides. We are not far apart."

Announcing BL's worst-ever figures, Sir Michael said the group *might have suffered* a cash crisis if it had not taken the necessary action involving a cut-back in car production.

"There is no reason why we *should* not come through this year on target and living within our means. We are not going to cut fundamental capital expenditure," he emphasised.

Capital expenditure in 1979 was about £259m and will be about the same this year. Depreciation and amortisation will *cover about £100m of this year's* outlay.

BL's sales revenue last year fell from just over £3bn to £2.99bn. Reflecting the prob-*lems BL is facing as a major* British exporter as a result of a highly-valued pound, direct export sales fell from £910m to £865m.

The *trading* loss was *£46.2m* compared with a £71.3m profit and at the pre-tax level there was a loss of £122.2m against a £1.7m profit.

Continued on Back Page

Midland profits reach £315m

BY MICHAEL LAFFERTY, BANKING CORRESPONDENT

MILDAND BANK increased its UK banking profits last year by 70 per cent, to leave reported overall group results 36 per cent up at £315m.

This performance is comparable with that of National Westminster Bank but is behind Lloyds, where UK profit growth was 90 per cent in 1979.

All the banks agree that the large profit increases are largely the result of rising interest rates during the past year.

Like the other two large clearing banks, Midland is emphasising that the profits picture is far less rosy when the impact of inflation is stripped out.

On the current cost accounting basis, Midland's pre-tax profit is only up from £175m to £183m.

Of all major clearing banks Midland is strongest on the corporate side and consequently receives a relatively small proportion of its deposits—about 25 per cent—in the form of interest-free current accounts.

A small part of the profits increase is attributable to international banking operations, representing 25 per cent of the business, where profits are ahead about 10 per cent.

Yesterday's preliminary statement shows that Midland continues to be cautious about the future prospects for the leasing market. It has provided for almost 50 per cent of the potential deferred tax liabilities arising from leasing.

This contrasts with a 22 per cent provision at NatWest, and no provision at all at Lloyds.

Last year Midland wrote off bad degts of £16.9m, against £25.7m in 1978. After recoveries of previously written-off debts *the net charge against profits is* only £12.1m, of which just over £2m relates to the general provision.

Details, Page 18
Lex, Back Page

CONTENTS

For latest Share Index 'phone 01-246 8026

Germans may raise OPEC loan

By Francis Ghilès and Peter Montagnon

WEST GERMAN **Finance Ministry officials said last night the Federal Government was considering raising a large Deutschemark denominated loan directly from members of the Organisation of Petroleum Exporting Countries. This would be an unprecedented attempt to cope with the country's growing balance of payments deficit.**

The officials were speaking *after reports of an* imminent placement of promissory notes (Schuldscheine), amounting to as much as DM 10bn (£2.5bn), circulated all day in German financial centres.

The German officials said they had not yet made any *concrete arrangements for* such an issue. They were waiting first to see how the capital market reacted to the measures taken on Thursday *by the Bundesbank to stimulate* capital imports into West Germany.

These measures included in particular a relaxation in the rules governing the sale of Schuldscheine to foreigners in an attempt to support the Deutschemark on foreign *exchange markets.*

The recent weakness of the German currency has caused great concern to the authorities because of fears it will aggravate inflation by raising the price of imports.

By borrowing abroad from OPEC countries Germany *would* not only be able to strengthen its currency, but also finance its current account balance of payments deficit, which is expected to reach DM 20bn (£5bn) this year.

The idea was first suggested this week by Dr. Johannes Voelling, *chairman of the* Westdeutsche Landesbank, who said in the Handelsblatt there was nothing "dishonourable" about borrowing abroad.

While the Finance Ministry officials said no announcement was imminent, senior bankers in Frankfurt said details could be settled as early as next week.

Schuldscheine are issued by many West German Federal and State Agencies as well as banks. They are traded in large blocks and have provided foreign investors with a discreet way of placing funds in marks over the past few years.

Further rise takes Prime Rate to $18\frac{1}{2}$%

BY DAVID LASCELLES IN NEW YORK

U.S. BANKS yesterday raised the Prime Rate by another ½ per cent to a record 18½ per cent. The jump, leapfrogging Thursday's sharp rise in the lending rate, had been widely expected, and is unlikely to be the last.

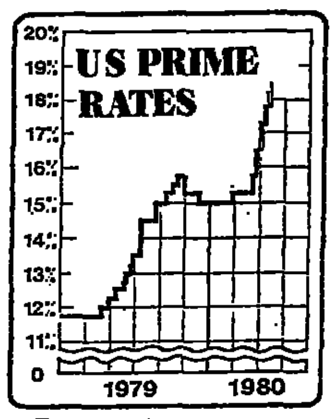
Rising U.S. interest rates pushed the dollar to its highest level since mid-1978 on the foreign exchanges, and led to another sharp fall in gold.

The move was led by Citibank, which raised its key lend-*ing rate by a full ¾ per cent* from 17¾. This is thought to be the largest increase ever registered in the Prime Rate.

It came about because Citi-*bank and many other large U.S.* banks did not follow the previous day's rise of ½ per cent to 18¼ per cent triggered by Chase Manhattan Bank.

The increase came as Wall Street ground to a virtual standstill in preparation for last night's announcement of President Carter's latest anti-inflation package.

The stock market was little changed in moderate trading, and the bond market registered *scarcely any activity at all.*



"Everyone is staying pretty *close to the shore,*" said *one* Wall Street trader.

The Prime Rate increase was a clear indication that Wall Street thought the new package would make *little or* no difference to the cost of marginal funds. If anything, the Prime Rate still has some leeway to make up, which is why some economists still say it will have to top 20 per cent before there is any prospect of a downturn.

Editorial comment, Page 16

Dollar strengthens, gold slips further

BY DAVID MARSH

THE DOLLAR rose to its *highest levels since June, 1978,* as gold continued its decline and further pressure built up on the Belgian franc within the European Monetary System.

Central banks made further dollar sales to dampen the currency's strength.

Intervention has generally been lower than during the previous week. But Belgian National Bank was forced to buy around $184m worth of Belgian francs against various currencies at the Brussels fixing yesterday to bolster the franc within the EMS, where it has recently slid down to near its lowest permitted levels.

The *West German Bundes*bank sold $125m at the Frankfurt fixing, one of its largest open intervention operations for several years, to help brake the decline of the Deutschemark. Sterling, however, continued its recent steady trend.

Gold closed at $530 per ounce, down $25.50 compared with overnight and $83.50 on the week. Earlier it had fallen *below $500 for the first time* this year.

Its rally was helped by a statement from Mr. Owen Horwood, South Africa's Finance Minister, that the country could withhold part of its gold production from bullion markets if the price decline made it necessary.

The dollar closed at DM 1.8325 against DM 1.8210 overnight after touching a high of DM 1.8405. Its trade weighted index *finished* at 88.3, up from 87.8, its best level since June, 1978.

Sterling finished at $2.2145, down 0.85 cents from Thursday, but its firm showing against Continental currencies was reflected in a slight rise to 72.3 from 72.2 in its trade weighted index.

The dollar closed at SwFr 1.7540 (SwFr 1.7425), after earlier reaching SwFr 1.77.

Commodities, Page 21
Money Markets, Page 23

OVERSEAS NEWS

Fiat attacks Alfa Romeo over Nissan deal

By Paul Betts in Rome

FIAT, Italy's largest private enterprise, has made what *amounts to a declaration of war* against Alfa Romeo, the state-controlled car manufacturing group, because of its proposed collaboration with Nissan of *Japan on a new medium* range car to be produced in southern Italy.

Sig. Umberto Agnelli, Fiat's deputy chairman and managing director, described the deal as a "disaster for Italy and Europe." He accused Alfa Romeo and its parent company, the state IRI-Finmeccanica mechanical and engineering holding, of adopting a "masochistic" attitude.

Sig. Agnelli claimed Fiat had made attractive alternative proposals to Alfa Romeo to replace *the joint venture with Nissan.* The Nissan deal would represent a "Trojan horse"

Fiat is clearly making a *last* ditch attempt to prevent the Alfa Romeo-Nissan deal, which now awaits only Italian Government approval. Alfa Romeo has *already* been given the go-ahead by the Italian unions and the Communist Party, while Sig. *Siro Lombardini, the Minister* for state holding companies, indicated this week that the final decision was up to Alfa Romeo.

Fiat yesterday claimed that Alfa Romeo had never considered seriously its alternative proposals but had stubbornly pressed ahead with its negotiations with Nissan. *Alfa Romeo claims that Fiat* was concerned only to block the Japanese agreement.

The Fiat plan included the use of Alfa Romeo engines in a new Fiat model, the possible final assembly of the new car at Alfa Romeo's southern *Alfasud plant and the proposed* construction of a jointly produced car at a new southern Italian plant.

The deal between Alfa Romeo and Nissan envisages a joint company with Alfa Romeo and Nissan controlling equal shares of its capital, under Alfa Romeo management. The new plant near Naples would have *an initial production of 60.000* cars a year based on the Nissan-Datsun "Cherry" model.

Anderson the target for Republicans

BY DAVID BUCHAN IN CHICAGO

THE REPUBLICAN race for the March 18 Illinois primary took on a sharp personal note *as three of the candidates* seized the opportunity of a televised debate here to gang up on the fourth, Mr. John Anderson.

They suggested that he was a closet Democrat, with Mr. Philip Crane accusing Mr. Anderson of *being in cahoots with* "ultra and extreme left wing Democrats" on the issue of abortion.

The maverick Mr. Anderson is now everyone's target, since *his New England successes last* month. He has suddenly emerged as the front runner in his home state of Illinois, the first contest in a big industrial state. But on Thursday night he refused to budge.

His three opponents, Mr. Ronald Reagan, who is in national terms still a length *ahead of his rivals*, Mr. George Bush and Mr. Crane, pushed him hard to declare publicly he would conform to the tradition of rallying behind the presidential nominee in July.

Mr. Anderson said that he could not "try to build a new politics, and then repeat the old shibboleth that I'm simply going to embrace any candidate, regardless of what his politics are." He has not totally ruled *out making an independent or* "third party" presidential bid if he fails to win the Republican ticket.

These attacks could seriously hurt Mr. Anderson elsewhere, if not in Illinois, where he has just won the endorsement of *Chicago's* two major newspaper's poll this week gave him 39 per cent, against 30 per cent for Mr. Reagan and 15 per cent for a badly slipping Mr. Bush, with Mr. Crane of no account.

Mr. Anderson's evident appeal to Democrats, important in *states such as Illinois where* people can vote in whichever *party primary they want*, is deeply suspect to some Republican loyalists.

Mr. Anderson . . . victim

Thursday's debate was the first in the campaign to show some dialectical cut and thrust, masking the wide agreement among Republican contenders on the need for balancing the federal budget, opposition to *wage and price controls* and a tougher policy towards the Russians in the Middle East.

Yet the high points inevitably centred on clashes between Mr. *Anderson, who castigated* the ex-Shah of Iran and defended the need for "free choice" on abortion. Mr. Reagan waxed maudlin on behalf of the Shah who he described as a well-intentioned "aggressive" and Mr. Bush said he was "sick and *tired of hearing us apologise for* people we supported."

Swiss to build Argentina N-plant

BY BRIJ KHINDARIA IN GENEVA

SULZER BROTHERS, the Swiss engineering conglomerate, has signed a $285m (£130m) contract to build a heavy water *plant in Argentina, despite* strong U.S. objections to the export of a "sensitive" nuclear technology to a nation which refuses to sign the *Non-Proliferation Treaty.*

Heavy water allows Argentina to operate nuclear reactors using natural uranium as their fuel, with the need to enrich *the fuel first. Argentina plans* to have 4,000 MM of nuclear capacity based on heavy water reactors by the year 2000.

The heavy water contract was signed *in Arroyito, Argentina,* yesterday by Sulzer executives and Argentina's Atomic Energy Commission. Work on the plant will begin this autumn and it *should come on-stream with an* annual capacity of 250 tonnes in four years' time. Capacity in the first year of operation is expected to be 200 tonnes.

Argentina has assured Sulzer that the plant's output will be used as the moderator for German and Canadian heavy-water reactors for electricity *production.*

Sulzer officials at the company's headquarters in Winterthur, Northern Switzerland, did not know whether special safeguards had been written into the agreement to prevent diversion of heavy water for the development of nuclear weapons.

The Swiss Government gave Sulzer the green light for concluding the Argentinian contract last year despite pressure from Washington. It claims that the new plant will not change Argentina's ability to obtain nuclear explosive as a by-product of its present nuclear plants.

A Sulzer official said Argentina, which has local uranium resources, could already have refined plutonium if it had wished, using its existing reactors.

The heavy water plant will be manufactured in Winterthur and assembled on a site near Arroyito in Neuquen province. Local companies will be given minor sub-contracts.

The agreement concludes several years of on-off negotiations. The Swiss Government is increasingly concerned by difficulties faced by Swiss industry in export markets.

Switzerland itself has an ambitious programme of new construction of nuclear power stations in the next 10 years, and wants to strengthen the domestic nuclear industry by helping it to win markets abroad.

IMF team invited to Peking

By Jurek Martin in Washington

A TEAM of International Monetary Fund officials will go to Peking later this month to discuss Chinese membership of the IMF. The mission, which is being dispatched at *Peking's request*, will be led by the head of the IMF's Asian Department, and will be of "a technical and exploratory character," a brief announcement said.

The Chinese expressed formal interest in resuming full membership of both the IMF and the World Bank during the joint annual meet*ing of the two institutions* in Belgrade last October. Under the rules, a nation must first be accepted into the IMF's ranks before it may join the bank.

Norway passes drilling law

THE NORWEGIAN Labour Government's controversial plans to allow petroleum exploration in Norwegian waters north of the 62nd parallel, starting in May, have been approved by the Storting (parliament), Fay *Gjester writes from* Oslo. Exploration drilling north of the parallel has not been permitted until now, because of the pollution risk to rich fish stocks.

Botha supporters attack Vorster

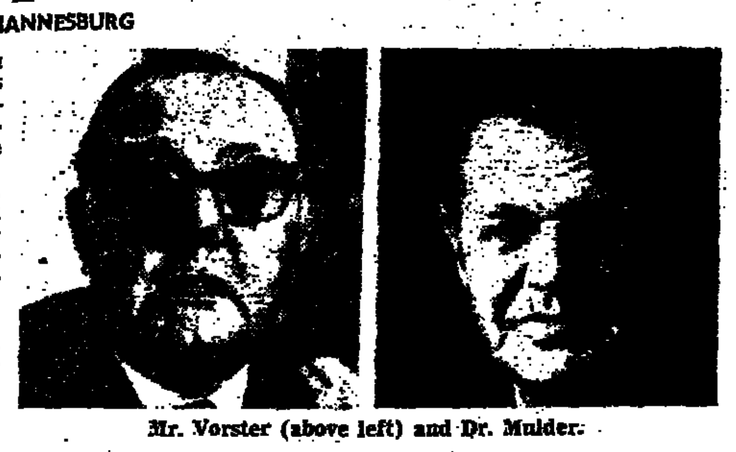
BY BERNARD SIMON IN JOHANNESBURG

MR. P. W. BOTHA, the South African Prime Minister, and his supporters reacted sharply yesterday to criticism of their policies by Mr. John Vorster, the former Prime Minister.

In a terse statement, Mr. Botha said: "I think I must *stick to the time-honoured rule* not to draw former state Presidents into party political matters."

In a speech in Bloemfontein on Wednesday, Mr. Vorster warned of the dangers of arousing expectations which could not be *met, an obvious reference to* the recent reformist race policies of Mr. Botha. Mr. Vorster implicitly attacked those members of the present government who have argued for a greater role for urban blacks in policy-making and for a more equit*able distribution* of land.

Some of Mr. Botha's supporters were more outspoken in their criticism of Mr. Vorster. Mr. Ben Schoeman, a retired Minister of Transport who was the most senior member of Mr. Vorster's Cabinet, bluntly told *Mr. Vorster to* "*keep out of* politics and keep quiet." He added that "the path of Mr. Botha is the only one which will ensure the survival of the whites." Nationalist newspapers have also voiced subdued doubts about the wisdom of Mr. Vorster's speech.



Mr. Vorster (above left) and Dr. Mulder.

Mr. Vorster's criticisms are widely regarded as support for Dr. Andries Treurnicht, the ultra-Right-wing leader of the Transvaal wing of the Nationalist Party, and for Dr. Connie Mulder, the former Information Minister. Dr. Mulder, *who last year formed his own* political party, has attracted growing attention to his spirited attacks on the Botha Government, while a breakaway move from the Nationalist Party, led by Dr. Treurnicht, was narrowly averted earlier this week.

Mr. Vorster refused to commit *himself yesterday on whether* he is preparing to make a political comeback. Afrikaans newspaper reports indicate, however, that at least two former Cabinet Ministers held meetings in Johannesburg recently to prepare the ground for Mr. *Vorster's return to politics on* the side of Dr. Mulder and, as seems increasingly likely, Dr. Treurnicht.

Romania joins Afghan criticism

BY ANTHONY ROBINSON IN BUCHAREST

ROMANIA, formally the Soviet *Union's Warsaw Pact ally*, yesterday joined Britain in making a strong implicit condemnation of the Soviet invasion of Afghanistan.

A joint communique, issued in Bucharest after three days of talks between Lord Carrington, *the Foreign Secretary, his* Romanian counterpart, Mr. Stefan Andrei and President *Nicolae Ceausescu*, did not mention Afghanistan by name, at Romanian insistence. But paragraph six clearly had the Afghan situation in mind.

It stated: "The two foreign ministers express deep concern at the deterioration of the inter*national situation as a result of* policies based on force and the violation of the national independence and sovereignty of states."

It added that the two sides "emphasise that international disputes should be resolved exclusively by peaceful means, by negotiations, based firmly on respect for independence and national sovereignty, non-inter*vention in internal affairs and* non-recourse to force or threat of force."

The *Middle East situation* and the risks to peace in Asia following the Soviet backed Vietnamese invasion of Kampuchea in 1978 were also discussed. But particular attention was paid to the consequences in Europe of the *deterioration in East-West* relations.

David Tonge writes: At least 10 governments are to attend *the meeting in Geneva next* week to prepare an alternative to the Moscow Olympics, according to Mr. Robert Ellicott, the Australian Home Affairs Minister.

In London yesterday, Mr. Ellicott was only able to name Australia, Britain and the United States as planning to take part in the meeting, but Canada is now expected to send an observer.

The intention is to stage an alternative games after the Olympics. The International Amateur Athletics Federation has decided to outlaw any *alternative championships held* at the same time as the Olympics.

Shipbuilding cuts give Japan springboard for future

BY JOHN ELLIOTT, INDUSTRIAL EDITOR, IN TOKYO

JAPAN'S major cutback in shipbuilding, started in 1977, will be completed by the end of this month. Combined with cuts in annual production *targets this means that Japan's* shipbuilding activity is now 60 per cent less than three years ago.

Most shipyards are still *operating at a loss despite* shedding 50,000 workers and there are no plans for restoring capacity before 1985. But production targets set by a cartel which is expected to continue until 1982 will rise slowly and efforts are being made to *diversify into other activities.*

The reduction is far greater than has been achieved by any other country and means that Japan has a springboard for future profitability while retaining its domination of world markets.

In 1975 Japan had a merchant shipbuilding capacity of 9.8m compensated gross registered tonnes (cgrt). By the end of March a total 35 per cent reduction will have it down to 6.4m cgrt.

Annual production targets originally set by the Government and now imposed by a cartel have cut output by about 25 per cent from a 1975 peak *of 8.5m cgrt to a bottom figure* of 2.4m cgrt this year.

The industry now plans to expand production slowly to 3m cgrt next year, 3.7m in 1982, *4.7m in 1983, 5.6m in 1984 and* the full capacity of 6.4m in 1985.

Companies intend to compete strongly for increasingly sophisticated vessels, and also want more defence orders from home and overseas. But international *agreements and political sensi*tivities within Japan could prevent this being fully realised quickly.

Japan's national shipbuilders' *federation says that restricting* production reduced unprofitable undercutting on tenders and prices have been boosted.

Before the cartel and the *earlier Government - enforced* production limits came into force, the federation says, shipbuilders were selling ships for only 60 per cent of cost. This has now risen to 90 per cent.

The Federation hopes that Japan's Fair Trade Commission will approve a 12-month extension of the cartel beyond its expiry date of April next year. It believes this will enable several shipbuilders to make *small profits in 1980-81* for the first time in five years.

The cartel has been successful in raising prices because of Japan's dominant position in the world shipbuilding market — it takes between one-third and a half of total orders.

Both the Japanese Ministry of Transport and the federation say they expect to account for between 35 per cent and 40 per cent of world orders measured in cgrt in the next few years even though they topped 50 per cent at the end of last year.

*They are facing strong com*petition from Taiwan and South Korea, however, and insist that they are not totally confident about when the present world *shipping slump will end.* Displaying the caution now evident in several Japanese industries, *they say they therefore do not* want to over-expand capacity.

The cut-back has been aided by the Japanese Government buying nine merchant shipbuilding yards with a total capacity of 489,000 cgrt to ease redundancies, help settlement of shipyard debts and encourage diversification. The Government was prepared to spend Y9.85bn (£18m) on the *scheme* but *only* Y4bn has been taken up.

These yards will be shut by *the end of this month—although* ship repair work will continue—and will remain closed until new *owners appear who are willing* to use them for work other than shipbuilding.

Low poll and confusion reported in Iran election

BY SIMON HENDERSON IN TEHRAN

MINOR *electoral malpractices*, a low turnout and general confusion over voting procedures were *reported during* the first round of Iran's Parliamentary election yesterday.

The reports could lead to further difficulties for President Abolhassan Bani-Sadr's policy of centralising authority and solving the U.S. hostages *crisis — a function Ayatollah* Khomeini has delegated to the future Parliament.

In Teheran, state radio reported that there had been complaints that the official list of the 423 candidates in the capital had sometimes appeared *in polling booths with a list of* the Islamic Republican Party's candidates alongside.

The IRP, *led by Ayatollah* Dr. Mohammed Beheshti, an influential member of the ruling Revolutionary Council, is Mr. Bani-Sadr's main opposition within the council, particularly on the issue of solving the *hostages problem without insisting on the retrun of the* Shah first.

Early indications were that the IRP might make a strong showing in Tehran

Mr. Bani-Sadr himself is relying on an informal grouping called Unity Congress for support.

Results of the election are not expected until next Thursday. Many parts of the country will require a second-round *run-off in early April before* the winners are announced. About 16 million people are eligible to vote.

In Tehran, which is acting *as a 30-member constituency*, voters were faced with a ballot form listing on one side all 423 candidates, and were required to write the names of the 30 of their choice on the other side.

Some were reported to be simply writing the four or five most familiar names and leav*ing the rest blank.* The country's estimated 50 per cent illiterates were having to ask friends or election officials for help.

Ireland limits credit growth to 13%

By Our Dublin Correspondent

THE Irish Central Bank is to restrict growth of credit to 13 per cent in the coming year. Personal lending will *be held to 6 per cent*, leaving *14 per cent for the productive* sector and housing. Last year's growth was 18 per cent.

With inflation estimated at 18-20 per cent, there is considerable dispute about how tight credit will be.

Canada lifts prime

CANADA'S new floating Bank Rate rose fractionally *to 14.19 per cent from 14 per* cent when it was set for the first time yesterday, but the move triggered a sharp increase in the key lending rates of two chartered banks, reports Carey French in Toronto.

The Bank of Nova Scotia and Canadian Imperial Bank of Commerce said their most favoured customers will now be charged 15.75 per cent—up from 15 per cent

Bogota—the capital city of violence

BY SARITA KENDALL IN BOGOTA

GUNSHOTS, SEARCHES, roadblocks—Bogota's residents are used to them all in small doses. But those living within half a *mile of the Dominican* Republic embassy have spent days chasing the right sergeant to get the yellow card to allow them through the five police checks, where every shopping bag is minutely examined. The only advantage—not to be denigrated in Bogota—is that doors and windows can be left unbolted without the slightest *fear that a burglar would enter* the heavily militarised area.

It is a pleasant, middle-*income suburb*, not far from the city centre, occasionally engulfed in tear gas when students from the national university clash with riot *squads along 30th Avenue in* front of the Dominican Republic embassy. Telephones near the embassy have been cut off, and journalists who keep a round-the-clock *vigil in "tent city"* have to walk several blocks to pay an inflated price for a local call.

Nearly everyone who visits Bogota asks the same question, and Colombians find it impossible to answer satisfactorily: *Why is the city so violent?* Other capitals—especially in Latin America—have grown rapidly over a short time with high immigration rates and inadequate housing, schools and water supplies. Other cities also have bureaucratic corruption, badly paid police forces and high underemploy*ment*. Yet only in Bogota are five people mugged and killed within yards of each other in five hours, only in Bogota are four banks in the same street *assaulted simultaneously*, and kidnaps so frequent that newspapers regularly run special features on self defence.

Some explanations go back *to the "violence" of the 1950s*, when hundreds of thousands of Colombians fled from the war between the Liberal and Conservative parties in the countryside, and tried to find shelter in the cities, swelling the numbers of unemployed. *Bogota's population* doubled between 1951 and 1961, and reached nearly 3m by 1973, putting a tremendous strain on urban services. Since then, *rural emigration and the birth* rate have dropped considerably, and forecasts for the next 20 years are being revised downwards.

A woman guerrilla shouts at newsmen as she leaves negotiations with Colombian government officials over the release of the hostages in the Dominican Republic's Bogota embassy. Behind her is Sr. Ricardo Galan, the Mexican ambassador, one of the 19 diplomats and unknown number of other hostages who were yesterday in their 17th day of captivity.

With a population estimated at 4m for 1980, and 25 per cent *of national production concen*trated in Bogata, the capital is undoubtedly the focus of the nation. Situated on a rich green plain 8,500 feet above sea level, and overlooked by a ridge of *rugged mountains, it does not*, however, dominate Colombia to the extent that Lima, Caracas or Mexico City do their countries. Three Andean *cordilleras* (mountain ranges), broken up by two huge rivers flowing north *to the Caribbean, make travel in* Colombia hair-raising, and strong regional centres have developed in Medellin, Cali and Barranquilla.

Transport within the city is equally chaotic and dangerous. The mayor has made road improvements his chief priority. Bogota's new housing estates are now bursting across the plain, eating up agricultural land.

Densities have increased too, *as skyscraper office and apart*ment blocks take over prime sites, and the few colonial houses left in the centre are dwarfed by concrete and glass.

Although the construction boom has slowed, property prices have not, and between 1977 and 1979 house prices rose by an average of 75 per cent a *year—more than double the* inflation rate. Drug traffickers are partly to blame, as they legalise their dollars by buying their way into respectable neighbourhoods.

Most people would agree that Bogota already has "grave social problems." More than 5,000 children roam the city *in gangs, living off the con*tents of other peoples' pockets and handbags. At night, women and children come out with small wooden pushcarts and go through the city's rubbish

There are hundreds of "*clandestine communities*" without basic services on illegally occupied land, where houses are made of hardboard, tin and plastic sheeting until *the owner accumulates enough* bricks to start building.

FINANCIAL TIMES, published daily except Sundays and holidays. U.S subscription rates $365.00 per annum Second Class postage paid at New York, N.Y., and at additional mailing centres.

UK NEWS

Nuclear commitment needed for Heysham

BY MARTIN DICKSON, ENERGY CORRESPONDENT

FINANCIAL AND political support from the Government is needed to allow the Central Electricity Generating Board to start work as scheduled this year on a new advanced gas-cooled (AGR) nuclear power station.

Mr. Fred Bonner, deputy chairman, said the board wanted to go ahead as planned with the construction of the Heysham 2 AGR station in Lancashire, but the nuclear programme could not be a stop-start one. The timing depended on whether the Government was prepared to support the industry's borrowing needs.

Mr. Bonner's remarks come at a time when the electricity supply industry is negotiating with the Government final details of its external financing limit for 1980-81. There are fears this might be set too low to allow an immediate start at Heysham.

Doubts over the station's future have been reinforced by reports that the Government's Central Policy Review Staff, the "Think Tank," is investigating the effects of delaying both Heysham and the twin AGR station planned for Torness in Scotland.

Mr. Bonner hopes the Government will stand by its nuclear policy statement of last December, which committed it to building the two AGR plants before starting a major new nuclear programme.

It seemed "stupid" to settle the country's nuclear strategy in December and to start "pulling it to parts again" now.

Mr. Bonner was speaking at a Press conference to announce his board's new bulk supply tariff, the amount it will charge area boards for electricity from April 1. The tariff will rise by just under 16 per cent, with additional adjustments dependent on fuel prices.

Area boards have already taken much of the rise into account in the 17 per cent increases they intend to pass on to consumers on April 1. Customers face a second price rise—possibly of around 5 per cent—in October.

Mr. Bonner said the rise in the bulk supply tariff was steeper than expected because of lower load forecasts. The area boards had been selling less electricity in the last three months than in the corresponding period of the previous year, while its 1980-81 demand forecasts had been cut by nearly 3 per cent.

He gave no details of the board's financial negotiations with the Government, but the industry evidently fears the Government may try to reduce the £187m external financing limit for 1980-81 which it set last November.

Mr. Ray Orson, a member of the Electricity Council, the industry's co-ordinating body, said there was no suggestion that a limit greater than £187m would be needed for Heysham to go ahead in August.

North Sea well to be kept in reserve

BY RAY DAFTER, ENERGY EDITOR

NORTH SEA SUN OIL has confirmed a potentially commercial oil find north-east of Aberdeen.

Industry estimates suggest that the discovery, in block 16/21 close to the Thelma and Andrew fields, could contain about 50m barrels of recoverable reserves. The unnamed field would appear tiny when set aginst the biggest North Sea discoveries of 1bn to 2bn barrels, but rising oil prices are making even these comparatively small accumulations of crude commercially attractive.

North Sea Sun—a wholly-owned subsidiary of the U.S.-based Sun group—is suspending the latest well so that it can be used as a producer at a later date. Similarly, another well to be sunk in the area this year will also be drilled with a view to possible future production.

Sun said the latest well flowed light, 38.8 degree API crude oil at a rate of 5,000 barrels a day from intervals between 7,074 and 7,087 feet and between 7,087 and 7,097 feet below the seabed. A deeper reservoir below 8,000 feet was tested at an aggregate flow rate of 3,300 b/d.

The Sun exploration consortium first sank a well on the block in 1975. Oil flowed at a rate of about 4,000 b/d, but the group felt that further drilling at that time was not warranted. Now Sun has confirmed that engineering and reservoir studies are in hand

North Sea Sun has a 62 per cent stake in part block 61/21a. Its partners are North Sea Exploration and Research (15 per cent), Clyde Petroleum (13), Hautpas (5) and Hampton Gold Mining Areas (5).

● British National Oil Corporation, British Gas and 17 private oil compaines are to drill a £9m exploration well in the deep water of the Rockall Trough to gain geological information about the area. The well, for which BNOC will be the operator, will be drilled in 1,355 metres (4,445 ft) of water in block 163/6 about 200 kilometres north-west of the Isle of Lewis.

Newman chairman dismissed

BY JOHN MAKINSON

Mr. Alan Bartlett has been dismissed as chairman of Newman Industries following a High Court judgment against him last month. He said yesterday that he was "deeply shocked at the Board's precipitated reaction" and would contest the dismissal.

Mr. Justice Vinelott ruled that Mr. Bartlett used "trickery and deceit" to push through the sale to Newman of assets and liablities held by Thomas Poole and Gladstone China, a company of which Mr. Bartlett was chairman.

Mr. Bartlett said he was appealing the action on legal aid and would bring new evidence. The case was brought by Prudential Assurance, a minority shareholder in Newman.

Mr. Bartlett would contest the dismissal in court and would also seek re-election at the next Newman annual meeting.

Mr. Bartlett said the Board responded to pressure from a powerful, rich minority of insurance institutions without reference to the majority shareholders, employees and management. He had not been invited, he said, to the Board meeting which decided his dismissal, nor had he been offered compensation.

The Prudential made no comment yesterday.

Ladbroke makes 285 redundant

BY ANDREW FISHER

LADBROKE GROUP has made 285 casino employees in London redundant after the High Court this week rejected its attempt to win back licences for three Mayfair casinos.

But the group will continue to employ just over 100 people at its remaining London casino, in the Park Tower Hotel in Knightsbridge.

The redundancy decision was announced yesterday by City and Provincial Gaming Holdings, which runs the group's casino, bingo and lottery operations.

This subsidiary was set up last year before Ladbroke's appeal to Knightsbridge Crown Court to reverse a lower court decision that the Mayfair licences should be removed because of breaches of the Gaming Act.

But the Crown Court felt this restructuring did not outweigh the past offences, mainly involving the enticement of gamblers away from other clubs.

Lord Widgery, the Lord Chief Justice, agreed with this in the High Court judgment on Wednesday, against which Ladbroke plans to appeal.

CPGH said it had considered future trading possibilities at the three casinos after Lord Widgery's decision. The staff now made redundant had been kept on with full pay since early in December, when the premises were closed after the Crown Court hearing.

Originally, the Mayfair casinos—the Park Lane Casino, the Hertford Club, and the Ladbroke Club—employed 516 people, but many of these agreed to voluntary redundancy last year.

Troubled times for casinos, Page 17

Japanese rate UK good for investment

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

JAPANESE companies will be told that the UK is an "attractive location in which to invest" by a group of businessmen and civil servants from Japan who last night ended a ten-day tour of British industry.

The group found that industrial relations in Britain were "even better" than they had expected. They were also impressed by the quality of labour, in spite of some shortages of skilled engineers.

Speaking in London yesterday the leader of the mission, Mr. Tochikazu Hashimoto, an advisor to the Japanese Ministry of International Trade and Industry, MITI, said the group was also impressed by the infrastructure available to incoming industry and by the number of new industrial estates.

Some aspects of the British economy however did not allow for "excessive optimism." But this did not stop the UK being an "attractive place" for Japanese companies to invest in high growth sectors of industry.

So far there are about 20 Japanese companies employing a total of 6,000 people in the UK and the group visited some of these during its tour. It also met Prince Charles while he was visiting the Department of Industry on Thursday.

Mr. Hashimoto said Japan wanted to invest more abroad because it would help deflect opposition to Japanese exports. MITI also wanted to arrange technological co-operation with other countries and was interested in mounting joint ventures for projects elsewhere in the world — especially in developing areas.

Before visiting the UK as the guest of the Industry Department, the group toured Eire, which is well known for its success in attracting investment. But Mr. Hashimoto refused to be drawn on whether the group considered Eire to be a more attractive place for setting up factories than Britain.

Home loan funds 'disappoint'

THE BUILDING societies managed last month to attract about half the volume of funds required to finance current demand for home loans, though March is expected to show a significant improvement in their situation.

Figures yesterday from the Building Societies Association confirmed predictions that February would be a disappointing month, and showed net receipts of only £199m against £235m in January. In February 1979 net receipts were £231m.

At least part of the fall in February receipts was attributable to the attractive 19th issue of National Savings Certificates, which could have some impact on March. But societies expect receipts this month of about £250m, highest monthly total since October.

Mint and De La Rue in consultancy link

BY IVOR OWEN, PARLIAMENTARY STAFF

THE ROYAL MINT and Thomas De La Rue, are combining in a new company intended to meet growing demand from foreign Governments for access to their expertise.

De La Rue is the world's leading printer of bank-notes; the Mint makes coins for about 70 foreign countries.

This is a strictly limited excursion into the private sector by the Royal Mint, which will provide the chairman and one other director for the new company, to be known as Royal Mint Services.

De La Rue will nominate the managing director and one other director. The company's "small office" will be at Basingstoke, where De La Rue has its headquarters.

Mr. Peter Rees, Treasury Minister of State, told the Commons yesterday that the main purpose of the new company would be to provide Governments with advice and assistance in the construction, equipping, modernisation or organisation of their mints.

Initial share capital of the company would be £1,000. The Crown's involvement would be limited to that of a 50 per cent shareholder.

Mr. Rees said an agreement between the Royal Mint and De La Rue would provide for a change in the title of the company in the event of the Royal Mint ceasing to have an interest.

Arrangements had been agreed to provide the Comptroller and Auditor-General with adequate access to the company's books and records.

Massey Ferguson to close plant

MASSEY FERGUSON yesterday indicated strongly that it would definitely close its Knowsley, Liverpool, industrial machinery plant, losing 500 jobs, and transfer work to its Manchester plant, without further discussions with unions.

The announcement came from its North West director, Mr. Bill Wood, after flying pickets from Knowsley brought the Manchester works to a standstill.

Top management changes at Grand Metropolitan

THE top management of Grand Metropolitan, the hotel, drinks and leisure group, is about to undergo a change after the surprise resignation of Mr. Ernest Sharp, 49, one of its joint managing directors, announced yesterday.

In a brief statement the group said that Mr. Sharp, whose responsibilities cover the hotel, dairy, Mecca casino and betting sectors, intended to resign to devote more time to other interests.

Mr. Stanley Grinstead, managing director in charge of the wine and spirit and brewing divisions, largest part of the group, will become deputy chairman and group managing director.

The statement said that Mr. Maxwell Joseph intended to remain chairman for five years, and that it was expected that Mr. Grinstead would ultimately succeed him.

Mr. Sharp said last night that he was not proposing to resign because of any major policy differences, such as those which led to the departure as a director of Mr. Eric Morley in 1978.

Arts Council expects £10m boost

MR. NORMAN ST. JOHN STEVAS, Arts Minister, is expected to announce a £10m increase in grants to the Arts Council, in the House of Commons on Monday.

The grant is likely to be about £70m for the next financial year compared with £60m for the current year, after cutbacks of just over £1m caused by the Government's lower spending levels.

This represents a 16 per cent increase overall.

State chairmen worried by salary differentials

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

THE CHAIRMEN of the nationalised industries expressed some concern yesterday that their salaries and those of Board members were again slipping in relation to the private sector, and to senior management in their own industries.

There was particular concern about the size of such pay increases in the financial sector.

In the past year these are believed to have outweighed considerably salary increases in the public sector by the Labour Government after recommendations of the Top Salaries Review Body headed by Lord Boyle.

The third tranche of this award is due to State industry chairmen and Board members next month.

The Boyle committee, which is compiling a new survey, took evidence from the chairmen's committee on Thursday, and has received detailed submissions from individual chairmen about their own corporations.

Boyle is due to report to the Prime Minister soon, and State chairmen are not expected to move until details of that report are available, probably in late spring or early summer.

There appears to be a growing feeling that the Boyle mechanism will not prove satisfactory in fixing public-sector top salaries.

There is obvious disquiet at the situation where the Government finds it almost impossible to find successors to the chairmen of British Steel and British Shipbuilders.

Corruption case three appeal

THREE DUNDEE men, each jailed for five years on Thursday for corruption, were freed yesterday when appeals against their convictions and sentences were lodged.

After appeals had been lodged Lord Cameron, in chambers in the High Court, Edinburgh, granted their applications for bail pending hearing of their appeals this summer.

They were freed immediately, after being ordered to find security of £250 each. The Crown did not oppose yesterday's applications.

After a six-week trial the jury had found former Lord Provost Tom Moore, 54, former bailie James Stewart, 49, and businessman John Maxwell, 51, guilty of corruptly soliciting and receiving gifts, fees, rewards and advantages.

The case involved the awarding of building contracts.

Charges follow tunnel collapse

THE British Railways Board and Miller Construction (Northern) were charged yesterday at Duns Sheriff Court with contravention of the Health and Safety at Work Act in connection with the collapse of Penmanshield railway tunnel in Berwickshire a year ago in which two men died. No pleas were taken and the case was remitted to the High Court in Edinburgh on May 26.

Abortion Bill delay

THE PRIVATE Member's Bill designed to tighten up the law on abortion again failed to complete its passage through the Commons yesterday. It is expected to come before the House again on July 4.

Less crime

SERIOUS crimes recorded in England and Wales decreased for the second consecutive year in 1979, Home Office figures show. Total offences fell from 2.56m to 2.53m, although personal attacks and criminal damage increased. Detection rate remained at about 41 per cent.

Security for U.S.

AN electronic power security system, aimed at the U.S. market, is expected to go into production in Northern Ireland soon. It was developed at Queen's University, Belfast and the Ulster Polytechnic, and is being launched by TMX Systems.

Licence suspended

THE Civil Aviation Authority yesterday suspended for three months the operating licences held by British Cargo Airlines. The all-cargo airline, also suspended its flights yesterday, because of financial difficulties, and staff were warned of 400 redundancies.

France attacked over Channel-hopper fare veto

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

MR. JOHN NOTT, Secretary for Trade, yesterday criticised the French Government for refusing British Airways' request to offer its £20 single Channel-hopper fare between London and Paris.

This fare was part of a package of new cheap rates to be offered jointly from April 1 by British Airways and Air France. The French Government has approved the rest of the package.

Mr. Nott said the rejection of the Channel-hopper rate was "deplorable," particularly as it was generally accepted that European air fares were too high.

He said that he thought it was unreasonable that in such areas as banking, insurance, aviation and agriculture, the UK was frequently being frustrated by the protectionism of its European partners, while in areas where there were temporary problems, such as the motor industry, "we maintain open markets for their manufactured goods."

Triplex jobs are hit by imports and BL decline

TRIPLEX GLASS, part of Pilkington Brothers, is facing problems as the result of rising production costs, foreign competition and the decline of BL's share of the British car market.

Mr. Geoffrey Iley, the chairman of Triplex, has told its 2,500 employees that the company is so hard pressed by receding markets that it does not have the funds to invest in plant for new products.

The company, which has plants in Birmingham and St. Helens, Lancashire, has already made 350 people redundant in the past six months, and recently shut its Glasgow operation with the loss of 110 jobs.

Mr. Iley said in a bulletin to the work force: "Customers will only buy at prices they consider acceptable. Higher prices mean lower sales and so the downward spiral continues." He added that costs were rising much faster than selling prices.

If the present market conditions continue, with foreign competition becoming fiercer, more jobs may be lost. Much depends on the performance of BL, which is Triplex's biggest customer after Ford. The company also exports some glass to West Germany and supplies windscreens for Boeing airliners.

The company said its home market had declined sharply in the past few years because of the increase in car imports, and the strength of sterling made export markets difficult to penetrate.

UK NEWS

Steel strike effect on industry limited

BY DAVID MARSH

INDUSTRIAL production fell slightly in January as a result of the steel strike. But output in other industrial sectors held up fairly well. Although the economy has stopped expanding, there is still no firm evidence of the widely predicted recession.

Figures issued yesterday by the Central Statistical Office show that *seasonally adjusted* output by all industries fell 0.3 per cent in January, compared *with December, to 112.2* —base 1975.

The manufacturing output index, which was more directly affected by the steel dispute, fell 0.9 per cent to 102.9—also base 1975.

Manufacturing production during November to January rose 2.2 per cent from the previous three months largely because of the recovery following last autumn's engineering strike.

Making allowance for such distortions and some growth in the energy sector, the latest *figures confirm that there has* been little change in the underlying level of output since 1978.

INDUSTRIAL PRODUCTION
(1975=100, seasonally adjusted)

	All Industries	Manufacturing
1977	106.0	103.0
1978	109.9	103.8
1979	112.8	104.3
1st	110.2	102.8
2nd	114.9	107.1
3rd	113.3	103.2
4th	113.1	104.1
Nov.	114.6	105.8
Dec.	112.5	103.8
Jan.	112.2	102.9

Source: Central Statistical Office

Production by British Steel accounts for only about 2¼ per cent of manufacturing output and 1 2/3 per cent of all industrial production. So the closure of British Steel plants since the beginning of January has had *only a moderate effect on the* overall picture so far—especially as the impact of the dispute on *production in other sectors has* been limited.

If steel production in January had continued at December's level, manufacturing output would have risen by about 1.6 *per cent last month*, and all industries' output by 1.3 per cent.

The *steel strike resulted in a* fall of 16 per cent in metal manufacture in January, but output increased in the chemicals, food, engineering and textile industries. North Sea oil and gas production also rose.

There may, however, have been some fresh decline in manufacturing output since the beginning of February on account of generally weak demand and high stock levels.

● *An eloquent defence of the* virtues of a freely moving exchange rate was presented *yesterday* by Mr. Enoch Powell, **writes our Economics Correspondent.**

Mr. Powell said there was no such thing as a "strong" or a "weak" pound. "The exchange *rate* did one thing, and one only—it tells us how much and what it is worth our produc*ing to exchange* with foreigners and how much and what to exchange with one another."

Stocks can last 'well into April'

BY MAURICE SAMUELSON

PRODUCTION by manufacturing and construction companies has taken *only* a small drop since the start of the steel strike, and more than two-thirds of industry has enough steel to last "well into April," says the Confederation of British Industry.

The CBI's latest survey of 60 *companies with about* 1m employees shows that most have raised their output in the last *week to more than 96 per cent* of the level which would have been expected had there been no strike.

The lowest point was 95 per cent at the end of February.

The improvement is attributed *to the arrival of more foreign* steel, the ending of the private sector steel strike, more supplies from stockholders, and "swap shop" arrangements.

More of the companies claimed to have between three and four week's steel stocks, and fewer complained about being significantly hurt by the strike. About 5 per cent said they expected *to be seriously* affected in the next fortnight.

The CBI said some companies *had enough steel to last until* August.

Widespread protests

BY MAURICE SAMUELSON

MRS. Margaret Thatcher encountered widespread demonstrations on a tour through Yorkshire yesterday, culminating in one in Hull where eight arrests were made.

The first met her in the morning at Wistow colliery, in the Selby coalfield. About 100 demonstrators, mainly steelworkers and miners, were held by a police cordon a quarter of a mile from the pit.

After a visit down the 1,100-ft deep shaft, she said she hoped the steel strike would end quickly. "Many, many families have been without a regular wage for 10 weeks and it must be very tough on them."

More chanting pickets greeted her at the Howden Glucose Company 12 miles away. One threw an egg at her car, but missed.

The eight people arrested at Hull, for what police called "disorderly behaviour," were among 200 demonstrating outside the Royal Hotel.

In Consett, County Durham, more than 2,000 marched through the streets to protest against the impending closure of the town's steelworks with the loss of nearly 4,000 jobs. Mr. Bill Sirs and Mr. Hector Smith, leaders of the main steel unions, and local MPs headed the half-mile-long procession.

British Rail's fear

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

BRITISH RAIL had a "real and reasonable" fear that it would face intensified industrial action if it allowed 500 tons of "blacked" steel to be moved from two Midlands freight terminals, the High Court was told yesterday.

British Rail opposed an application by steel stockholders Howard E. Perry & Co. for an order that it deliver up the steel from the terminals at Wolverhampton and Brierley Hill.

The Vice-Chancellor, Sir Robert Megarry, will give his decision on the application on Monday.

The judge was told by Mr. Alexander Irvine, QC, for Perry's, that it urgently needed the steel. It had only about 10 days' supplies left, and without more its business would be damaged and lay offs might follow.

Mr. David Gidley Scott, for British Rail, told the judge steel men were already picketing the Wolverhampton terminal.

Strike lays up 10,000 lorries

By Lisa Wood

MORE THAN 10,000 road haulage vehicles were laid-up by the end of February because of the steel strike, Mr. John Silbermann, chairman of the Road Haulage Association, said yesterday.

Mr. Silbermann said: "Hauliers up and down the country are not operating their lorries profitably.

"The steel strike was having a ripple effect on the industry. Steel carrying vehicles are not engaged in their normal work and are chasing other traffic and the consequence is obvious to everyone in our industry—a harsh, ruthless competition for an inadequate amount of work, with the resultant severe drop in prices."

The association has 15,000 members who own 200,000 vehicles.

Metal Box lays off 7,000

METAL BOX, the can manufacturing company which supplies about 70 per cent of the UK market, has laid off nearly half of its workforce because of tinplate shortages caused by the 11-week steel strike.

The company said last night that 7,000 of a production workforce of 15,000 had been laid off. It had been hit by secondary picketing this week, particularly at its Neath plant in South Wales, and was meeting only a third of the demand for cans for food processing.

For the first time in the *dispute can shortages are* affecting the beer and soft drinks market, with production of beverage cans at about 50 per cent of normal.

GKN to cut Brymbo workforce by 250

BY ROBIN REEVES, WELSH CORRESPONDENT

MORE REDUNDANCIES in the Welsh steel industry were announced yesterday by GKN, which is cutting 250 jobs at its Brymbo steel plant near Wrexham, North Wales.

The slimming operation, which GKN said was not related to the steel strike, emerged as part of the company's wage negotiations, due to be completed in April. It will reduce the Brymbo workforce to 2,000.

GKN blamed difficulties in meeting overseas competition, due in turn to lower productivity coupled with higher raw material, energy and other related costs, for the job loss.

The high value of sterling and the high level of interest rates has also made it difficult to export at a profit, GKN said.

GKN's Brymbo plant makes special steel, mainly for the forging industry. Last year, output totalled 429,000 tonnes; it was expected to rise to 475,000 tonnes this year.

However, because of the private sector's inclusion in the national steel strike for three weeks last month, some 35,000 tonnes of output was lost.

In June, a new £47m finishing mill is due to come on stream at the plant.

LABOUR

Lagging dispute worsens

By Nick Garnett, Labour Staff

THE CONSTRUCTION section of the Amalgamated Union of Engineering Workers has asked the Government to provide facilities for men to be trained for lagging work on the Isle *of Grain power-station.*

Its request is made in a letter from Mr. John Baldwin, section general secretary, to Mr. Jim Lester, Parliamentary Secretary at the Department of Employment.

The letter has further *inflamed the difficult relations* between the unions on the construction site. There, work had stopped because of a long-running dispute involving laggers.

More than 1,600 manual workers on four of the power-station's five units face the prospect of losing their jobs, partly because of the dispute.

Mr. David Basnett, the General and Municipal's general secretary, has written to the *TUC saying Mr. Baldwin's letter* is very unhelpful. He has asked the TUC to make it clear to *Ministers that they should* not get involved in the dispute in the way suggested by the *AUEW.*

The TUC's finance and general purposes committee is *holding* a special meeting on the dispute next week. It is also considering a General and Municipal suggestion that TUC officials try to convene a joint meeting of site unions, together with Central Electricity Generating Board representatives.

Pay offer made to avoid ballot

BY PAULINE CLARK, LABOUR STAFF

SHOPFLOOR LEADERS in the electricity supply industry will be told today how Government fears of disruption by power workers strongly influenced *their recent swift settlement on* a total pay increase of 19 per cent.

Only nine days before the settlement on March 6 union negotiators left an informal *meeting with Electricity Coun*cil employers with indications of a 14 per cent offer.

As reported in the Financial Times, the offer at that stage would have hinged on a *basic* increase of about 10 per cent.

Union negotiators have told shop stewards that the sudden *change in fortunes during meetings which* led to the final agreement arose from employers' desire to avoid a ballot.

Ballots overturned two offers last year, and this time negotiators were anxious for a quick settlement without reference back to the shopfloor.

Official interference from Government sources during joint negotiations is denied by both sides.

The Department of Energy said: "Obviously Government Departments will want to be in touch with what is going on in their areas, but pay is a matter between employers and their employees."

But negotiators have conceded that the troubles in the steel industry "heavily influenced" events leading up to the settlement.

An informal meeting at the end of February began with no offer on the table, but after at least one adjournment ended with employers making a tentative offer level with that to the steelworkers.

Members of the unofficial power workers' shop stewards' committee, who will look at details of the settlement at a meeting at Doncaster today, will be told that the formal offer of 17 per cent, plus 2 per cent in *recognition of productivity,* was made explicitly to enable the settlement to b ereached without a ballot.

If a ballot had been on the cards the employers would have made a lower offer to keep a further increase in reserve.

Some shop stewards will propose at the meeting that in future, settlements should not be reached without consultation with the shopfloor.

Union negotiators had made clear that they were not prepared to settle below the inflation rate. Shop-floor leaders had already indicated hopes for a settlement at least at that level.

It is hoped that the split increase of 17 per cent plus 2 per cent will avoid difficulties over differentials in the coming week's negotiations for power engineers, who recently received a 2 per cent arbitration award.

The pay rise to the 83,000 manual workers in the electricity supply industry gives a middle-range increase to an auxiliary plant attendant of about £21 a week from a pre-settlement earnings level *of* nearly £101 a week for those on full shifts. This would be on a basic pay level of £79.40 a week.

Miners call for import controls

BY NICK GARNETT, LABOUR STAFF

A SPECIAL delegate conference of the National Union of Mineworkers yesterday unanimously endorsed an executive resolution opposing "unnecessary" imports of coal and coke.

The resolution calls for further approaches to the *Government and the EEC to* secure adequate funds for the UK coal industry, tight control *over future coal imports*, and the ending of existing import contracts for all coal which could be *supplied* by the National Coal Board.

Mr. Lawrence Daly, national secretary, said the resolution was intended to be a base on which the union could mount a campaign against import policies and for support from, and agreements with, miners' unions in other countries.

Mr. Arthur Scargill, Yorkshire president, said the union had an obligation to stop coal imports. The union had to translate the anger felt among members into positive action if pits were threatened with closure.

Sir Derek Ezra, Coal Board chairman, said the state of the coal industry had improved dramatically in the past year. Productivity, output, sales and industrial relations improved as a result of determination, hard work and co-operation.

Productivity was up almost 2 per cent, absenteeism had fallen to the lowest level for more than 20 years, and sales tonnage was up more than 9 per cent.

Sir Derek said the Coal Board was not totally opposed to imports, but these had to be *complementary* to the Board's own production. It was cheaper for some companies to buy abroad, *but if this inter*fered with the Board's own production and plans for *development it would be detri*mental in the long run to those companies.

The nub of the problem was the steel industry, Sir Derek said. The Board had been geared to producing coking coal and coke for the industry based on British Steel Corporation *forecasts* which had collapsed.

The coal industry could cope with that but it needed time and the reduction in coke orders had to be more gradual.

Civil servants' reaction muted

BY PHILIP BASSETT, LABOUR STAFF

*UNION reaction to the Govern*ment's announcement of a 14 per cent limit for civil servants pay *increases have been sur*prisingly muted, particularly since the Government also intends to reduce its manpower costs by 2½ per cent—the equivalent of up to 20,000 jobs.

Though they talked of being "appalled" at the "deliberate and cynical breach" of their pay agreement, and warned of "anarchic" pay bargaining in the future, there was no firm mention of previous warnings of industrial action.

Mr. Paul Channon, the Minister responsible for the *Civil Service, told general* secretaries from all the union yesterday that the Government's *plan was as close as the unions* could expect to get to their traditional comparability-based *settlement this year.*

The staff side will discuss the possibility of industrial action on *Tuesday* and will probably meet Mr. Channon later next week. Many union officials are aware that the 14 per cent offer was a Cabinet decision and one that would require a great deal of forceful persuasion to change.

The prospect of industrial action is further diminished by *the fact that the new staff cuts* and the expected staging of the eventual deal will yield average increases over 12 months close to the 18 per cent seen by *the Civil Service Department* and some unions as the average rises due from the Pay Research Unit comparability studies.

While the staff cuts may not be easy to accept in return for higher pay, the general feeling appears to be that many of the unions, particularly the largest, thet Civil and Public Services Association, are unwilling to repeat last year's industrial action.

THE WEEK IN THE MARKETS

Reversing recent trends

LONDON

ONLOOKER

THE TRENDS so noticeable at the beginning of 1980—a weak dollar, intense commodity price speculation and buying of *equities for their asset backing*—now seem to have been decisively reversed. The upward spiral of U.S. interest rates has helped the dollar turn, and has broken the back of the commodity boom, most *strikingly in the gold market.*

Industrial equities have not been immune to the shake-out in mining shares. Now that the speculative element has died down, the fundamentals, and particularly the profits outlook, are re-asserting themselves. If any reminder were needed of the vulnerability of industrial earnings, it was amply provided *this week by Turner and Newall* and Rolls-Royce.

Gilt-edged have held steady, waiting for the Budget: the banking figures on Tuesday allowed the optimists to believe that credit demand is falling, if only very slowly.

Digestive demands

United Biscuits takes its investment *programme seriously*, as its shareholders are well aware—on Thursday they were asked to contribute £34½m in the group's third rights issue in less than five years. The two previous cash calls, in 1975 and 1977, were designed first to rebuild the balance sheet after the Keebler acquisition, and second to build it up before UB's programme of diversification. This time *the group is* planning to spend £100m on its UK biscuit business over five years.

In the late 1960s a major spending programme on biscuits brought considerable profit benefits through relatively quickly as production costs were lowered. UB reckons that it can squeeze further profits growth out of the biscuit market (even though volume in the market as a whole is growing very slowly, if at all) by *improving efficiency further*, which means heavy investment in new plant and gradual shedding of labour.

It is not as if UB were highly geared—the rights issue is designed to keep debt at under 30 per cent of capital employed, taking no account of the company's £30m cash balances. The group clearly wants to make room for another major acquisition if necessary, although it seems likely that 1980 will be spent in digesting its moves into the fast and frozen foods businesses in the UK, and the takeover of Speciality Brands in the U.S.

UB is following a long-term strategy to make sure that it is *one of* the survivors among British food processing companies, too many of which have woefully neglected their assets. But for shareholders the dilution produced by the rights issue means that earnings per share *are likely to mark time in the* region of 8p, fully-taxed, for the fifth year running.

Forecasting flop

"There are indications," said Mr. Stephen Gibbs, chairman of *Turner and* Newall, on Wednesday, "that 1980 is going to be a better year than 1979." Shareholders will certainly be hoping *so, after seeing the price slump* nearly 20p on the announcement of the result.

They will also be hoping that the forecasting ability of their board has drastically improved, following the debacle of the second half of 1979. The interim report last September had suggested second half pre-tax profits somewhat better than the £18.8m of the first six months.

In fact the figure slumped to £8.7m, as T and N was overtaken by a series of problems including the engineering strike, the strength of sterling, commissioning expenses of new plants and weak demand for many important products late in the year.

At the moment T and N's *directors are hoping* that the impact of new plants, together with strength in some of the overseas operations, will allow the group to stabilise its position. They are also keeping an expectant eye on Zimbabwe *Rhodesia, where T and N is* expecting to regain executive control soon of its substantial mining and industrial operations, which generate something like £12m pre-tax.

But in spite of the legalisation of the Rhodesian régime, getting money out is still impossible—and cash is something that T and N, with net *borrowings increased by £40m* to £125m in 1979, needs rather badly. The board has bravely maintained the dividend, but *it is a long way from being* covered by the year's earnings, and the dividend yield of over 16 per cent reflects the market's view that this level of payout cannot survive another por year.

Cash outflow

Profits from Rolls-Royce Motors also fall into the list of industrial casualties during 1979. The engineers' strike probably clipped earnings before tax and interest by some £5m, there was the hauliers' dispute to be taken into account while the effect *of a strong currency and a* high borrowing cost continue the grim liturgy of the private sector.

On top of all this, the market for Rolls' diesel engines has been soft for some time and, of possibly most importance, the major contract to supply Iran with tank engines was cancelled. The upshot is a 1979 *pre-tax profit slump from* a record £14.63m to £7.15m. The downturn was most felt in the second half when profits dribbled away from £9.22m to £2.56m.

Rolls is looking for an improvement in 1980 and, although the aero engine component division is again expected to perform well this year, the group faces the prospect of a further cash outflow.

Debts have risen to 70 per cent of shareholders' funds but the group is only three-quarters of the way through a heavy capital investment programme. Industrial disputes have pushed about £4m of last year's projected spending into *the current year which must* bear a bill of around £14m against profits which analysts are now pencilling in at around *the £9m mark before tax.*

The general diesel division should be capable of reaching a break even position, following major rationalisation but the car side must finance a new model launch this year and gearing will probably increase before borrowings begin to fall.

The group itself is forecasting *a positive cash flow in* 1981 which the City is taking to mean that profits next year will hit £18m pre-tax, working *capital will increase by no* more than £8m while capital investment needs will drop by around £6m.

That, in turn, seems to assume a marked upturn in the fortunes of the diesel division, which is showing little sign of happening as yet, and car production of almost 3,800 vehicles against 3,344 in 1979. *The market appears to be* taking a somewhat neutral view of these projections but is bracing itself for a rights *issue Rolls may be tempted to* launch to make the intervening financing burden that much lighter.

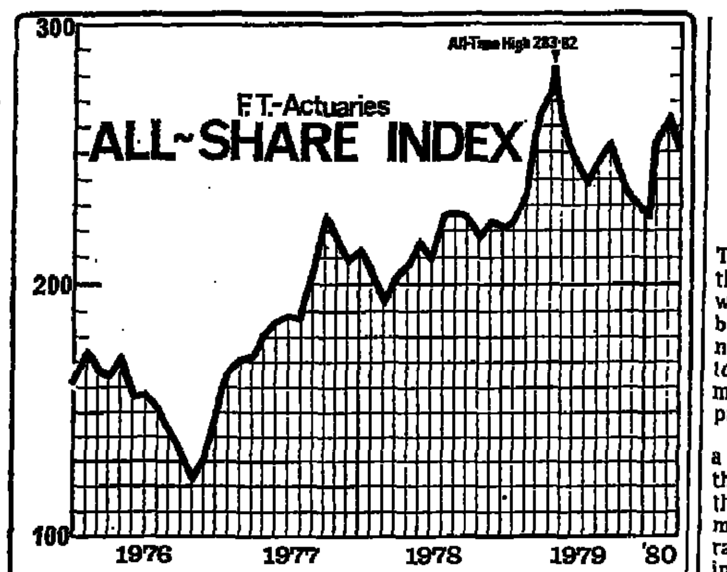
Early each year, the shoal of letters reporting first cuckoo hearings is matched by brokers' circulars announcing the good news that F. W. Woolworth is about to break with its sluggish past and become a growth stock.

But relentlessly as each year passes, it emerges that the long-awaited turnround has somehow failed to materialise. And the figures for the year to January, announced this week, provide little evidence that anything has *changed.*

Pre-tax profits rose by 7.8 per cent to £57.3m, while there was some improvement in margins, *due mainly from the switch* from low margin food capacity to clothing, which provides better returns. But volume was *slightly lower in real terms*, and even taking the food/clothing switch into account there was only the smallest of gains.

Against the retail sales index, prepared by the Department of Trade, which rose one per cent overall last year, the Woolworth performance does not look too bad. But, for the first time the Department has provided a "*mixed*" *category in its break*down of business, which corresponds fairly closely with Woolworth's position in the market. *This category showed* volume growth of more than five per cent last year, suggesting a substantial slippage in the company's market share.

So there is little likelihood that the group will be able to outperform its younger and more aggressive rivals in what is expected to be a difficult year for retail sales. Stock cutting *may help prevent any further* increase in interest charges, but miracles from the move into clothing are unlikely, especially when last year clothing took up 17 per cent of floor space to produce 11 per cent of sales.



MARKET HIGHLIGHTS OF THE WEEK

	Price Y'day	Change on Week	1979/80 High	1979/80 Low	
F.T. Ind. Ord. Index	439.9	−15.8	558.6	406.3	Concern about recent spec. losses
F.T. Gold Mines Index	286.5	−65.8	377.9	129.9	Sharp fall in bullion price
Bougainville	162	−43	234	100	Gold/copper fall
BP	352	−34	414	220½	Excess tax fears offset results
Cons. Gold Fields	476	−54	617	178	Sharp fall in bullion price
Dunlop	60	− 5	80	43	Fading bid hopes
Howard Tenens	73	− 7	83	23½	Abortive bid talks
Impala Platinum	265	−75	364	138	Fall in free market platinum
Johannesburg Cons.	£26½	−£6½	£35½	£13½	Weak gold/platinum
LWT A	122	−14	176	100	News Intl. sells 25% stake
Leichardt Expln.	240	−360	700	75	Concern over diamond prospect
Mount Lyell	80	−34	155	30	General decline in metal prices
Pacific Copper	156	−70	246	58	Disappointing annual results
Parker Knoll A	121	+23	123	84	Excellent interim results
Peters Stores	61	−10	88	39	Fading bid hopes
RTZ	360	−50	492	226	General decline in metal prices
Royal Worcester	225	+27	230	145	Results due soon
Turner & Newall	108	−14	176	105	Disappointing annual results
Turner (W. & E.)	82	+33	82	41	Agreed bid from J. Hepworth
United Biscuits	75	−16	96	74	£34.8m rights issue

Heading home without hope

NEW YORK

DAVID LASCELLES

THERE WILL be little rest for the Wall Street community this weekend. Investors, brokers, bankers all headed home last night with bulging brief cases *to analyse President Carter's* much-awaited anti-inflation package.

But as the market closed after a particularly depressing week, there seemed to be little hope that the measures would make much difference to the country's rampant inflation and soaring interest rates.

The week was dominated by *expectations of the package*, even though nobody had an inkling until Thursday night as to when it would be announced or what it would contain. It was almost as if Mr. Carter was deliberately keeping Wall Street in suspense.

Day after day, the announcement was postponed, and the only thing investors had to go on was scrappy information leaked by the White House or released deliberately as trial balloons: credit controls, a new tax on oil, even halting Saturday mail deliveries at a saving of $500m a year.

For a lot of people, the tension was to much, and there was a steady selling trend for most of the week. By Thursday night, the Dow hit a *milestone after a particularly bad* day: it was down 100 points from the high it reached only four weeks ago.

But most of the gloom seemed to stem from fears that whatever Mr. Carter did, it would bring no more than a brief cure. The inflation rate is now so firmly embedded in the economy, and interest rates have risen so far above their previous peaks that both are widely expected to remain in double digits for the foreseeable *future, possibly years.*

Mr. Carter's plans to pare the Budget and bridge the deficit, though obviously welcome, *are not considered to be realis*tic by most Wall Street economists, if only because plans like these usually turn out to be *pie-in-the-sky.*

If these people are right and federal spending does outrun revenue, the Government will continue to be a heavy borrower in the credit markets, which bodes ill for interest rates over the coming 18 months.

Similarly, the credit control measures in the package are expected to be insufficient. The Fed's last attempt to squeeze the economy with its October 6 package, seen as stringent at the time—has conspicuously failed to take the heat out of either inflation or the credit markets.

Possibly the most impressive element in the package is the proposal for a hefty tax on imported oil. Although this will lead to a sharp rise in petrol costs for the American motorist, it could reduce long-term infla*tionary expectations* and accelerate conservation thus, it will fight fire with fire.

It will also, of course, add *billions to federal revenue*, reducing the need for treasury borrowing.

However, a number of economists have pointed out there is little sign that the government is actally reining in social spending and other, admittedly sensitive programmes usually lumped under the heading "transfer payments."

If the package fails to work, Mr. Carter would probably be forced into producing another, even stiffer package at the end of spring.

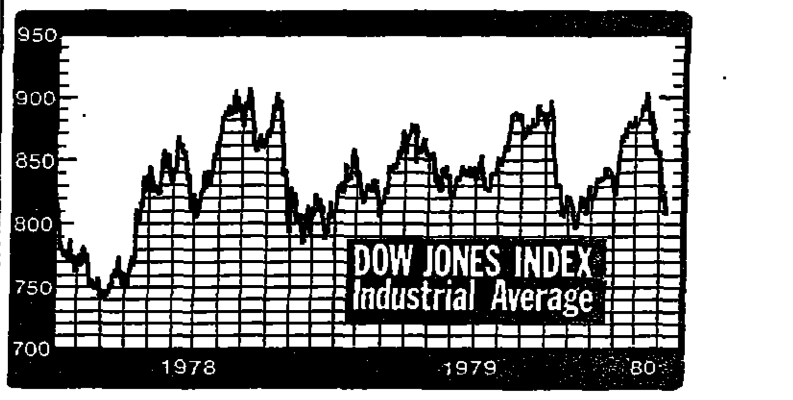
But though the package created a lot of nervousness in Wall Street last week, *there was* evidence that investor attitudes may also be going through one of their periodic shifts.

The most obvious sign of this was the weakness of oil stocks after bounding ahead for several months and providing the market with an underlying strength, oil issues have all shed a large part of their gains in the last ten days.

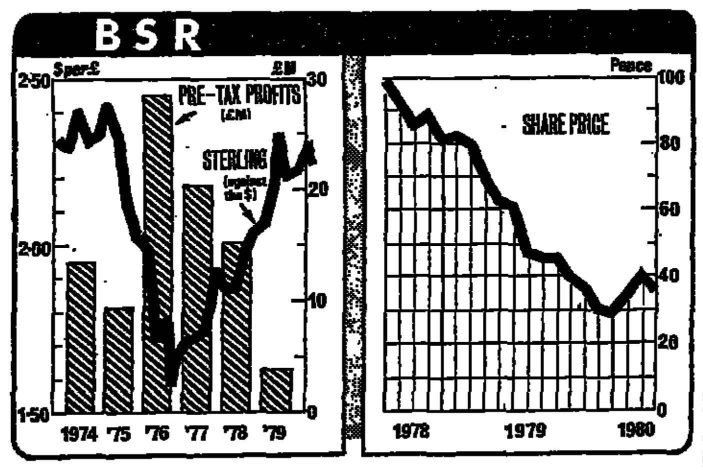
This was partly due to the feeling that oils had had a good run for their money and were *probably oversold. But some* less-than-encouraging news on the latest oil bonanza, the Ben Nevis and Hibernia wells off *Newfoundland, also pushed* down the majors. Mobil, for a while the market leader, plummeted from $89 to $74.

The weakness of oils also pushed down related resource issues, like mining. Gold, silver and other metals stocks dropped in sympathy with the sharp decline in metals commodity prices. Sunshine mining, one of the country's largest producers of silver (and due shortly to issue a novel silver backed security) shed $11 from its peak *of $41.*

Monday	818.94	−1.62
Tuesday	826.45	+7.51
Wednesday	819.54	−6.91
Thursday	809.56	−9.98



Turning the tables



WHEN YOU can please the market by announcing a 74 per cent drop in pre-tax profits, a 47 per cent dividend cut, and borrowings up 370 per cent, then your shareholders' expectations must have been grim indeed.

BSR managed this feat on Wednesday when it unveiled £3.9m pre-tax profits against last year's £15.2m, and saw its shares up 1p to 34p. Some outsiders had been looking as *low as £2.5m, while the yield on* the 2.8258p year's dividend is still a respectable 12 per cent.

The main problem for BSR has been its entrapment in unfavourable currency cross-rates. North America accounts for some 70 per cent of its sales—*mainly record* player turntables. The strength of sterling against the dollar has not been kind to business.

The yen meanwhile, has been even *softer—hitting sales of* BSR turntables to Japanese hi-fi manufacturers, and opening up BSR's U.S. market to fiercer Japanese competition.

Compounding the problem, the U.S. hi-fi market is now in recession. The main reason is that the "youth bulge" has worked its way through the system, diminishing the hi-fi buying 15 to 25 age group.

Aside from audio, BSR's Judge enamelware group lost around £800,000 over the year, *again largely due to the* strength of sterling.

Nobody pretends that the tunnel is a short one for BSR, though the light can be seen. In the first instance, it must get down its stocks to reduce borrowings, which run around £26m against 1977-78's £7m level. Managing director John N. Ferguson has now taken this task in hand.

It mut also look quickly at the loss-making Judge. Essentially, the subsidiary's future depends on whether it obtains licensing from Du Pont to use a new anti-stick pan coating called Silverstone. Silverstone is *widely used on aluminium*, but Judge believes itself unique in finding a successful bonding to enamelware. Only a go-ahead from Du Pont in May will give Judge another break to work for profitability.

Analysts say BSR looks like making around £5m pre-tax this year. On the horizon is the growth potential of the "X-10," an electronic device which offers centralised control of electric lights and appliances through existing wiring. BSR sees widespread commercial and industrial applications which could offer a much-needed cushion against consumer cycles.

Another future growth opportunity is that BSR is well-placed to take a share of the video-disc market, if and when it materialises.

With net worth—in the books at least—at around 90p per share, takeover rumours abound. But these probably owe more to an asset-minded market than any real stalking. Left to itself, BSR should be *able to show its shareholders* that they have seen the worst—though any hope of a return to mid-seventies profits rests with currency rates and consumer spending.

Robert Cottrell

In choppy waters

MINING

PAUL CHEESERIGHT

SHELL-SHOCKED. . . fingers burnt. . . very dicey. . . the phrases of gloom have come readily enough from London market men as they have con*templated the sharp falls in the* two foreign mining share markets most favoured by UK investors—Australians and South *African Golds.*

But they can still summon up a certain amount of optimism, being equally ready to talk about the markets now being ready to consolidate at the lower level. The water might be *choppy for a while*, they say, but the worst of the storm has passed. They argree though that the sharp rises of earlier *this year will not be repeated.*

Both markets have in common a sensitivity to metal prices—which have fallen as high interest rates have made it more difficult for speculators to finance their investments—*and a concern that some of* those professionally involved in buying and selling shares may have run into financial difficulties.

Both markets in the last few days have come under heavy selling pressure from U.S. investors. Their influence on South African Golds has for some years been decisive, but *they were late in spotting the* possibilities of the Australian market and when they did intervene they tended to *favour the speculative exploration* stocks, whose movements have been the most violent.

The statistics of the falls in both markets are simple. On February 14, the Sydney Metals and Mining Index touched *6680.95. By yesterday* it had fallen to 4943.65. On February 29 the Gold Mines Index touched 377.9. By yesterday it had fallen to 286.5.

This week the markets have been in the doldrums every day except Wednesday, just like the London Metal Exchange and the international bullion market. Despite this similarity, however, the two markets have had individual special factors with which to contend.

In Australia, there has been some talk of a currency *revaluation which, brokers* noted, had caused some currency outflows. The brokers also suggested that Australia has lost some of its attractions relative to other markets. Gains could be realised elsewhere, not least on the money markets.

But selling does not seem to have been universal. Many UK investors have apparently stayed in the market, although their heavy buying has dried up. Japanese investors have apparently been leaving the market, but those from Hong Kong have stayed in. There has also been some buying of Australian shares from the Gulf.

The fall in prices, however, could induce the Australian *financial institutions to resume* buying. They have stood aside from the market in recent weeks, brokers think, and are very *liquid. Should the insti*tutions re-enter the market, this could help to stabilise prices.

South African Golds are unlikely to stabilise without greater steadiness in the bullion *price which yesterday fell to* $530 an ounce, wiping out the whole of the rise which has taken place since the New Year.

This statement would be a truism were it not for the fact that until the end of February, the shares had often moved quite independently. The Gold Mines Index touched its high for the year only after the bullion price had fallen $200 from its high reached in mid-January.

The independent movement of the shares had led many to think that the market was too high and had to fall back *sharply.* The judgment was correct—with a vengeance. But the fall has re-established the traditional close relationship *between shares and metal—at* the same time as the movement of the metal price has re-established a close relationship with the movement of the dollar.

As the dollar has climbed in response to high interest rates, so the bullion price has declined. The next question facing the share market is how the dollar and the bullion price will respond to President Carter's anti-inflation package. Certainly the expectation has been a signal factor in pushing both metal and share prices down.

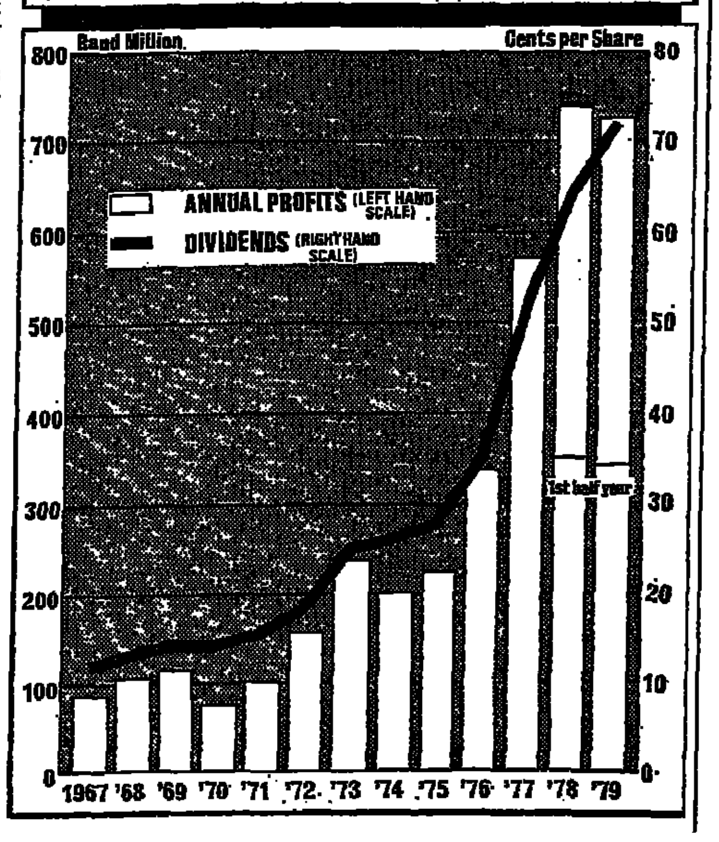
But the matter has been further complicated by the *election result in Rhodesia. Mr.* Robert Mugabe's conciliatory approach notwithstanding, the election result has again high*lighted what market men see* as the political risk of investment in southern Africa.

What is not clear is the extent to which all these factors have already been discounted in share prices. London brokers *are inclined to think that the* market may be, as they put it, "fairly resilient at these levels" although they do not rule out further, but smaller, falls.

All South African stocks have been affected by the depression *on the market—not least among* them **De Beers Consolidated Mines**, despite its announcement last Tuesday of a final dividend at the upper end of market expectations.

The final for the diamond *group is 52.5 cents (29.2p)*, making total payments for 1979 of 72.5 cents, compared with 65 cents for 1978. The dividend *increased despite the group's* first decline in profits since 1974.

Net earnings last year after *an extraordinary item* were R727.9m (£405.4m) compared with R741.2m in 1978. The outcome was not unexpected. Diamond revenue was lower as the gem market absorbed price rises imposed in 1978 and faced sluggish demand for smaller stones. Investment income from gold mines and the stake in **Anglo American Corporation** was higher, but not enough to offset the decline in the main part of the business.



FINANCE AND THE FAMILY

Provision for a widow

BY OUR LEGAL STAFF

The three directors of my company have a mutual agreement that on the death of any one of us his wife will continue to receive his salary at the same level. Our accountant has pointed out that the Inland Revenue may argue that this is not earned income and penalise us accordingly. He has suggested, however, that if the remuneration were to be written as a pension to the dependant this might overcome the problem? Could you advise please?

We agree with your accountants' view that the death-in-service pension is a much more satisfactory way to provide for the widow of each director than to attempt to continue paying husbands' salaries to their wives in the event of death before retirement.

A death-in-service widow's pension will be treated as earned income. It can moreover provide much more secure income for a surviving widow than a salary which will depend upon the future capability of the business to pay such salaries. What if the surviving directors decide to sell the business? What if all the directors die leaving three widows and no-one to run the business?

Your accountant is right to recommend a pension scheme not only for the provision of widows' benefits but also as a means of providing for the directors in their old age. The pension scheme means that you are not only able to off-set current salaries against taxable profits but also the cost of providing future retirement income, widow's pension and capital sums on death.

Since 1973 controlling directors have been able to provide pensions in respect of total service with their companies. This does not necessarily have to be done by means of an insurance policy. Directors have the choice of setting up a self-administered pension scheme, such as the EBS Director Plan, under which they retain effective control over their Fund's investments and using insurance to provide death-in-service, to provide annuities at retirement etc. Details of the EBS Director Plan from EBS (Management) Limited, 38 Finsbury Square, London EC2A 1PX, telephone 01-588 1932.

Not a Joint tenancy

Referring to your answer under Not a joint tenancy (February 16), if the flat consisted of say, a living room and two bedrooms, so that the nurses could have/had exclusive use of a bedroom, would your answer still apply?

Also you state "made it plain that they are licencees or that all the accommodation is to be share." That word "or" seems to indicate that if a licence is used, that is the end of the matter whether or not all the accommodation is shared. Do you mean the "or"?

The answer would be different in view of Sections 21 and 22 of the Rent Act 1977. Each case must be considered on its own facts. The disjunctive "or" was intended, as a licence can exist which grants exclusive possession, but that too would be outside the Act.

Separation and interests

My daughter and her husband entered into a deed of separation with effect from September 12, 1979. Could you tell me how her building society interest and her bank deposit interest should be dealt with in her and her husband's tax return? Bank interest is credited in June and December and building society interest in April and October.

Your daughter's bank and building society interest should be dealt with in the same way as the rest of her 1979-80 income:

(a) income which arose from April 6 to September 12, 1979, should be reported in your son-in-law's next tax return (including the June 1979 bank interest and the June 1979 building society interest; also the April 1979 building society interest, if you mean that the April interest was paid during the past 25 days of that month):

(b) income which arose from September 13, 1979, to April 5, 1980, should be reported in your daughter's own tax return (including the December 1979 bank interest, the December 1979 building society interest and the October 1979 building society interest: also the April 1980 building society interest, if by chance it is paid during the first five days of that month).

Aliment for a wife

A widower, 60, retired to Ayrshire and with good pension, house—£40,000 and other assets of £70,000 contemplates remarriage to a lady of 50 with virtually no private means and low earning power. What are the chief financial liabilities to which he might become exposed if the marriage went wrong, later? E.g., would the wife automatically have a half claim on the house?

During the subsistence of the marriage a husband is always liable to aliment the wife. That applies whether they live together or are separated, unless the separation is caused by the wife's behaviour or adultery.

On divorce, either party to a marriage is entitled to seek from the Court payment of a periodical allowance until their remarriage or death and also a capital sum payable on divorce. The amount of such awards are obviously governed by means of each party but are also affected by such factors as the responsibility of each party for the breakdown of the marriage and the duration of the marriage.

In your case it may be somewhat premature to speculate on these matters as the marriage has not yet taken place—but generally speaking, should the intended marriage break down, due to your conduct, your wife being blameless, she might be in a position to advance a claim successfully for about One Third of your net capital assets in name of capital sum.

Salary earned abroad

I recently worked abroad for two years for a foreign company. My salary was paid into an external account in that foreign country and earned interest while I was abroad (and is still doing so) on which no tax has been paid in the country concerned. Am I liable to UK income tax on this interest for (a) the period I was abroad (and classed as a non-resident) and (b) subsequently? If so, can I offset against this income tax liability, the detrimental value of the capital concerned due to the rise in sterling which is about the same value as the interest credited?

You should ask your tax inspector for a copy of the free booklet of extrastatutory concessions, IR1 (with updating supplements), and look at concessions A13 and D2. You could also ask him for a copy of booklet IR20 "Residents and nonresidents: liability to UK tax" and booklet IR25 "Taxation of foreign earnings and foreign pensions." From these booklets, you will find that the answers to your questions depend upon (a) whether you are domiciled in England and Wales (or in Scotland, or in Northern Ireland); (b) the precise dates between which you were regarded by your tax inspector as non-resident in the UK; and (c) whether you were regarded as being not ordinarily resident in the UK between those dates (for UK tax purposes, as distinct from exchange control purposes).

If (as seems likely) you are domiciled in England and Wales, the interest should be valued for UK tax purposes at the rates of exchange for each of the days on which it was credited by the overseas bank. The assessments, under case V of schedule D, may be partly on the preceding-year basis and partly on the current-year basis, and may (by concession) be partly on a time-proportion basis; on the bare facts given, we cannot be more specific.

The overseas bank account itself is a chargeable asset for CGT purposes (under section 135 of the Capital Gains Tax Act 1979, which re-enacts paragraph 11A of schedule 7 to the Finance Act 1965, as inserted retrospectively by the Finance Act 1969), except to the extent that any sums in it represent foreign currency acquired for your personal expenditure overseas, or for the provision or maintenance of a home overseas, or for the personal expenditure overseas of members of your family or other dependents. Withdrawals from the account may, therefore, produce allowable losses (or chargeable gains) for CGT purposes.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Sharing the spoils

ONE MAN'S loss is another man's gain. The same (or something like it) could be said about the current problems of the building societies, whose inability to satisfy high home loan demand appears to be inspiring outside efforts to make up the shortfall.

Westgrove Securities, a London based property investment company, has just come up with a plan designed to do better than inflation from the investor's point of view and offer certain advantages to the prospective housebuyer.

Westgrove's scheme at the moment is to be financed by pension funds and companies but individuals may get a chance to participate later.

From the individual borrower's point of view, however, it is an interesting, if somewhat esoteric proposition. The basic idea is that the lender (the pension fund or company through a special Westgrove Trust) takes a one-third equity stake in the house in return for charging a lower than commercial rate of interest.

The chief advantage to the borrower is either a lower initial monthly repayment than with a conventional mortgage (the very time, in other words, when he is most hard up) or the ability to borrow a bigger sum (probably at least 20 per cent more) than a building society or bank would normally allow.

The selling point to the lender is a real rate of return (three per cent above inflation is the aim) achieved through participation in the capital appreciation of the property.

The scheme works as follows. Westgrove and the pension funds are clearly anxious not to move house, so to get round to put pressure on the borrower the problem of realising the capital profit, arrangements are made to repay the lender's one third share of this capital appreciation at the end of every five years. The amount involved is established at each stage after an independent valuation.

So far a repayment schedule has only been devised using the endowment method. Interest will be charged on a floating basis, arrived at by taking two-thirds of clearing bank base rate plus 4 per cent (currently 15½ per cent effective).

The borrower starts off by paying into a 20-year endowment policy. At year five he starts a further 15-year policy to cover the capital appreciation due to the trust which has been thrown up over the first five years.

At years 10 and 15 he starts two more 10-year endowment plans to cover the capital appreciation over the second five and third five years of the 20-year term respectively.

The borrower, however, has to go on funding the last endowment policy between years 20 and 25 and pay for the trust's share of the capital appreciation over the last five years. This will be partly offset by the profits on the policies which mature at year 20.

Assuming a constant interest charge of 15½ per cent over the term, tax relief on mortgages up to £25,000, average annual house price increases of 10 per cent and life insurance premium relief of 17½ per cent, a consulting actuary has worked out that 35-year-old man, paying tax at 60 per cent and borrowing £50,000 would pay £546 a month for the first five years, rising to £584 for the next five, up to £691, £867 and finally £881 for years 20 to 25.

The same man borrowing to pay for the same house from a bank (at 20 per cent) would pay £853 throughout the term.

Westgrove points out that as long as the borrower's earnings keep pace with house prices the monthly repayments will still become progressively less in real terms—i.e. as a proportion of salary.

A major problem could arise, however, with the five yearly valuations. Westgrove decided against using a housing index because this would work against anybody who lives in an untypical area or who has put a lot of work into their own house. (This will be exempted from the valuation).

On the other hand, individual (albeit independent) valuations could well lead to borrowers feeling hard done by and while they can go to arbitration, the loser pays the expenses—hardly an incentive for the borrower to argue.

Westgrove claims that its scheme allows the borrower to move into a bigger house than he would if he went through a bank or building society. This, the company says, encourages the householder to stay put for longer.

The building society tradition of poorly rewarded depositors subsidising middle clas house buyers is being challenged by keen-market competition for private funds.

Westgrove's scheme is interesting and constructive but the British house purchaser may be too inured to cheap money to consider quickly giving up some of the equity in his castle.

Tim Dickson

Rates: ways to ease the pain

WHEN NALGO permitting you finally get your rate demand for the next financial year, the amount being asked may send your blood pressure soaring.

You may feel your local authority has got its sums wrong or that the computer has gone mad. Unfortunately you will be wrong—many local authorities are asking for astronomical increases this year.

The table below shows the average rise in forthcoming rates for England and Wales—as you can see the average is well above inflation. If you live in Stockton-on-Tees, for example your rates are going up by 57 per cent, the highest domestic rate increase in the country.

These high increases, many of them well above the Government's guidelines, arise for a variety of reasons. Many authorities are engaged in capital projects, the costs of which are escalating with inflation.

Almost all have saddled themselves with considerable financing debts which require high levels of servicing through interest payments.

The bad news, incidentally, may take some time to reach you. The National and Local Government Officers Association is taking industrial action over a parity claim and refusing to sent out the rate demands as part of that action.

This, however, will only delay the shock.

So what can you do besides groan and pay up? Possibly not very much, but you can ease the burden by spreading payment over the year.

You have, for instance, a statutory right to pay in 10 monthly instalments—do not ask why this is not 12 months, as logic would indicate.

When you get your rate demand simply return it to the local authority and state that you want to pay by instalments. Some authorities, but not all, will allow direct debits over 12 months.

You can, of course, always withhold payment until the local authority makes its final demand. Some authorities—40 out of around 400—offer a discount for prompt payment, but you would be well advised not to take up this offer.

The current rate of discount is only 2½ per cent and you would be better off putting the sum into a building society and paying monthly.

Finally, you may be eligible for a rebate if you live in in a high rating area, even if your salary is high. London boroughs are high rating areas with Camden the highest average at £408.

To claim a rebate you go along to the Tawn Hall and fill in a form. Some local authorities are extremely helpful and informative, others are less so. You may have to insist on your rights.

Eric Short

AVERAGE RATE RISES
(1980-81 compared with 1979-80)

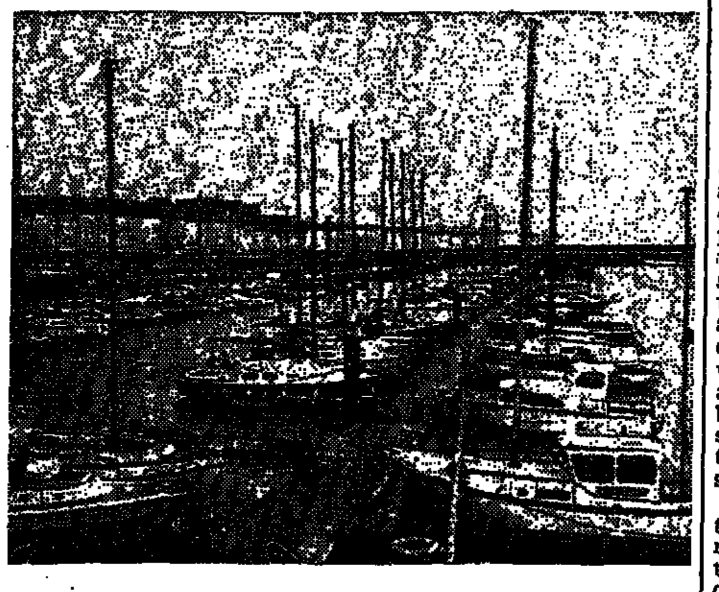
Type of authority	Domestic rise %	Domestic rise £	Business rise %
Inner London	34	70	24
Outer London	26	50	21
Metropolitan	28	38	23
Shires (England)	25	39	21
Shires (Wales)	32	31	22
Average all authorities	27	41	22

Source: Chartered Institute of Public Finance and Accountancy.

YOUR SAVINGS AND INVESTMENTS—I

Tim Dickson looks at marine mortgages

The cost of plain sailing



SEEN THROUGH a rose-tinted telescope, buying your own boat is a good investment and a passport to long balmy days of innocent pleasure.

Rotting hulls and mutinous crews can quickly dispel such a cosy picture but at this time of year there are plenty of would-be mariners prepared to take the plunge.

The big problem however is how to finance your boat. Some people will be able to dig deep into their pockets and pay with cash; but beyond a few thousand most will have to look for some sort of outside help.

The first port of call is probably your local bank. In the present climate of tight credit and corset penalties, your friendly manager may well wince or look embarrassed and ask you to think twice before embarking on an extravagant purchase.

If you know him well and have been a good customer in the past, you may be able to negotiate a personal loan for say three years up to £3,000.

But he is much more likely to point you in the direction of a finance house or merchant bank where larger sums can be borrowed on hire purchase or through a marine mortage.

Traditionally unsecured loans and HP agreements from these financial institutions are more appropriate for smaller sums. A marine mortgage will probably be required for larger amounts and the cost of the finance should work out a point or so cheaper.

Marine mortgages are, in principle, much like a house mortgage but there are a number of deep and murky channels into which you may sail.

Some companies will grant a marine mortgage (known in this case as a Statutory Marine Mortgage) only if your boat is registered in Britain (i.e. at a British port) and you are a British national.

If the boat is second-hand and already registered a Statutory Marine Mortgage is, incidentally the only available option. If on the other hand, the craft is new, registration will involve a number of costs (though these will be small in relation to what you are spending anyway).

Registration is unpopular in some quarters not only because of this administrative bother but also because the Inland Revenue is automatically given the identity of the buyer. The big advantage from the finance company's point of view is that registration makes it easier to recover the boat in cases of default. From the owner's point of view registration may be essential to gain entry into some foreign ports.

Hill Samuel which offers mortgages only on registered boats, is the only merchant banking group with a major marine finance division. Its normal maximum borrowing period is five years the minimum value of vessel considered is £7,500 and up to 75 per cent of this value can be advanced. The cost is 5-5½ per cent over the bank's base rate (currently 17 per cent) for sums under £10,000 and 4½ per cent over base for sums above £10,000.

As with a house, most companies require a marine survey for secondhand boats (certainly the expensive ones) and some even advise taking this precaution with a new boat.

Lombard North Central, the finance house subsidiary of National Westminster Bank, aims at both ends of the market and applications for as little as £300 are considered. LNC will lend 75 to 80 per cent of the value of the vessel over five to six years and gives a special concession to members of the Royal Yachting Association.

Members of the RYA pay interest on a floating basis at 4½ per cent above Finance Houses Base Rate (currently 18 per cent), while others pay 4½ per cent. At the moment for example this works out at a monthly repayment (of capital and interest of £2.55 for every £100 borrowed.

In order to even out fluctuations in interest rates LNC offers a fixed monthly payment facility. If rates go up the term of the mortgage can be lengthened and when they come down the term is shortened.

Mercantile Credit, the finance house arm of Barclays Bank, offers a similar option through its Stabiliser Rate. This is a projection of the average of the Finance House Base Rate over the term plus a percentage (4½-5½ per cent). During the term of the marine mortgage the actual rate is calculated and as a result there may well be a compensating extension or reduction of the term.

Mercantile will lend up to £7,500 on an unsecured loan, between £7,500 and £10,000 on Hire Purchase and sums above £10,000 through a marine mortgage.

United Dominions Trust, meanwhile, will finance 80 per cent of the cost of the boat through a marine mortgage over terms of between five and seven years. The interest costs are based on 5½ per cent over Finance Houses Base Rate for loans under £10,000 and 5 per cent over base for sums above £10,000.

Marine mortgages do not come cheap, particularly at times of record interest rates. And while the terms of those companies which offer the service are largely in line, it is well worth comparing several quotes.

These will often be negotiable and will vary according to the amount borrowed, the type of boat and the method of repayment.

Don't forget, incidentally, that your headaches do not stop at servicing a marine mortgage. Remember that you will have to insure your newly acquired floating asset (very roughly the premiums will amount to 1 per cent of the value of the boat) and find a mooring for her in what could well be an already overcrowded marina.

Topping up the top-up supply

TOP UP mortgages invariably give a boost to life companies' new business, as last year's figures show.

This is because applicants for a top-up—which is the difference between what a building society is able to provide and the borrower's needs—always ends up using a life company's endowment contract to pay for the whole mortgage. But while the demand for top-up facilities has mushroomed as a result of the shortage of building society resources, only a limited number of groups have become involved in this market.

In the last couple of weeks, however, two Scottish life companies, Scottish Widows and Standard Life, have reversed their previous marketing strategies and entered the field.

The arrival of these two companies should help reduce the imbalance between supply and demand for top-ups—and also ease a notorious conflict of interest. Most top-ups are arranged through insurance brokers who rely on the life company making funds available—and herein lies the source of trouble.

Most companies decide on the amount of money available for top-up and each district is given an allocation for a period to use as the district manager thinks fit. The supply of money has tended to be far less than the demand so the district manager can use top-up money as a stick and carrot to get more business out of his broker.

It is quite acceptable that the client seeking the top-up mortgage should channel his insurance through the insurance company making the loan facility. On the other hand other clients should not have to take out policies with that company unless the broker believes that it is in that client's interest.

The Insurance Brokers Registration Council has recognised the difficulty these commercial considerations can impose on brokers. But it emphasises that the code of conduct clearly states that the broker's duty lies with each of his individual clients.

The Scottish Widows and Standard Life developments, meanwhile, are of immense interest to present houseowners connected with the companies, and to future house buyers.

The arguments against a life company being involved in top-up mortgages are powerful. The return is poor compared with fixed interest investments, expenses are high and since repayment is at the option of the housebuyer, the investment term is usually short and indeterminable.

Up to now, it would appear that these considerations have prevailed with Scottish Widows and Standard Life. But the arguments for top-ups have at last come to the fore.

These are simply that it is a service which is being sought more and more by the policyholder. If a life company does not have a top-up facility, the broker tends to shun that company and use a company which does.

Consider the case of a housebuyer repaying his mortgage by the endowment method using a policy issued by a life company without a top-up facility. He wishes to change house and effect a higher mortgage, but he needs a top-up facility to do so.

He has no alternative, but to surrender his present policy, often losing money in the process, and take out a fresh contract with a new life company granting the top-up.

Standard Life is making the facility available only to existing policyholders—those housebuyers already using its policies to repay a mortgage. But Scottish Widows, is making it available to first and subsequent housebuyers who fulfil their rather stringent provisions.

Eric Short

Looking in the Mercantile mirror

TRUSTS
TIM DICKSON

INVESTMENT TRUST watchers with diaries should put a ring round Tuesday April 22. Besides bridging the Queen's birthday and St. George's Day, April 22 is the date of the annual general meeting of the £65m Mercantile Investment Trust—a quite unexceptional event for 93 out of the last 94 years but one which 12 months ago suddenly assumed considerable significance.

On that occasion the directors of Mercantile defeated a bold and well-publicised attempt effectively to liquidate the company. The shareholders behind the special resolution, which if successful would have forced the board to take appropriate action within a year, made it clear that they were dissatisfied with the company's performance and fed up with the discount between the value of their shares in the stock market and the assets represented by those shares.

Mercantile's dilemma mirrors the problems of many investment trust companies and for this reason the eyes of many other trust managers, directors and shareholders will be anxiously trained on April 22.

It would be fair to say, however, that spectators are unlikely to be treated to a repeat of last year's fireworks. Mr. Christopher Campbell, the private shareholder and self-employed accountant who was behind this year's proposals revealed last week that while he and his supporters are planning to keep up the pressure on Mercantile, they are only considering an ordinary resolution this time.

The difference between a special resolution and an ordinary resolution is that, if successful, the former carries a legal requirement while the latter is merely a recommendation to the directors.

Furthermore the proposed ordinary resolution is relatively vague. It urges the board to "take all appropriate steps necessary to ensure that shareholders will be able to receive value for their shares which adequately reflects the value of the underlying assets attributable to such shares." In other words, please reduce the discount!

What will be most interesting will be the level of any institutional support for this resolution. Last year's much more drastic motion was admittedly heavily defeated, but the Post Office Staff Superannuation Fund nonetheless voted in favour and Mercantile's biggest shareholder Save and Prosper showed its unease by abstaining.

Mr. Campbell already claims "some institutional support" and he is clearly calculating that his more dovish approach this year will win a greater number of followers and thus more effectively emphasise his point.

His thinking is certainly logical. Institutional shareholders of investment trusts have traditionally been reluctant to throw the first stone—they do not wish to be accused of "dog bites dog"—whereas Mr. Campbell as a private shareholder has considerably less to lose.

More institutions may well decide that now the die is being formed, if not cast, they have a splendid opportunity to register their bottled-up protests.

By keeping up the pressure, however, will the Mercantile rebels find the elusive key to unlock the discount? The answer is almost certainly "No."

Discussions between Mr. Campbell and Mr. Jerry Jamieson, Mercantile's chairman, have so far resulted in agreement on one important point. This is that unitisation (i.e. converting the company into a unit trust) is not the way to remove the discount. Quite apart from being unpalatable to the directors (it puts them out of a job), the difficulty is that a large chunk of Mercantile's portfolio is in unquoted shares. Mercantile's institutional shareholders (who own about 70 per cent) would doubtless redeem their units immediately, leaving private shareholders with all the unquoteds. An adequate valuation would subsequently be impossible.

With unitisation now a non starter, other realistic options are few and far between. Mr. Jamieson is well aware of the problems and plans to discuss three or four ideas in his annual report which will be published later this month. But he holds out little hope that any of them will work out in practice.

In the wider context of the whole investment trust sector, much heart-searching has been taking place since the beginning of the year. The Association of Investment Trust Companies launched a six figure marketing campaign recently in a bid to draw attention to the advantages of the investment trust as an investment vehicle.

This included the publication of a new booklet which has been widely distributed to professional advisers and the introduction of new performance tables in the national press, with a geographical breakdown of individual investment trust assets.

There is, however, no getting away from the fact that some investment trust shares have been oversupplied in a savings market dominated by pension funds, insurance companies and, to a lesser extent by unit trusts.

Recognising the need for orderly contraction, Mr. Hamish Buchan, investment trust analyst with stockbrokers Wood Mackenzie, has recently called for the Companies Act to be amended to allow companies to buy in their own shares.

SAVINGS AND INVESTMENTS—II

Breaking into movies

INVESTMENT
ROBERT COTTRELL

ARE you suffering from bond boredom? Equity ennui? Looking for somewhere a little more glamorous to put your investible capital? Well, if you've always had a weakness for the lure of the silver screen, you'll be glad to hear that the taxman is prepared to give film financiers a helping hand. Already one scheme is underway to acquaint the better off private investor with the potential benefits.

The Revenue has decided that capital expenditure on master negatives of films should qualify for 100 per cent first year allowances. Such allowances allow the capital expenditure to be offset against taxable income, though the appropriate tax has to be paid in later years on the income from the investment.

Effectively, the expenditure results in an interest-free loan from the Revenue of an equivalent amount—where the individual's tax bill is sufficient to take full benefit. With interest rates topping 18 per cent annually, such a benefit is of obvious attraction.

It is the kind of idea which sounds as if it ought to be incomprehensibly complicated to put into practice. It is, of course. But recognising the difficulties inherent in an opportunity too good to miss, a company called Film Funding has launched a scheme designed in collaboration with accountants Coopers and Lybrand to relieve potential investors of the technical burden.

Investors form partnerships of up to 17 names, each subscribing £25,000 or more. An additional bonus is that every £1 subscribed by an investor is matched by £1 of bank borrowings, with interest paid by EMI. The gearing doubles the capital allowances to partners. The result is that thanks to the allowances the initial "net-of-tax" outlay should be nil. Investors are assumed to be paying top-rate tax of 75 per cent.

It also helps to have square eyes, since one perk is invitations to location shooting, premieres, and other cinematic occasions.

The money thereby raised goes into movies made by EMI Films, a subsidiary of Thorn-EMI. EMI Films owns jointly with Film Funding a company called Golden Square Management, which sits in on the partnerships and takes care of the paperwork. Partners stay in for a minimum of five years.

The films which the partnerships may find themselves backing could include *Knight*, a medieval romance by *Alien* director Ridley Scott, or The Village People musical *Can't Stop The Music.*

The partnership owns the negative. It cedes the distribution rights to EMI Films, which remits 15 per cent of the attributable portion of the financiers' profits to the syndicate. EMI Films also guarantees to limit any loss incurred by the partnership to 10 per cent.

Film Funding would like to raise around £15m from investors over the next five years. Together with borrowings, that should pay for seven or eight major films. The company itself—whose directors are for the most part ex-Hambros Bank — draws its income from a levy on partnership funds.

It looks like a useful boost to the British film industry. But the aforementioned industry had better work fast, since before long foreign film-makers will also discover that they too can offer tax-breaks to British investors to finance foreign films, so long as it is done through a British company.

Hotting up without frying pans

IF YOU walk into a savings institution off the streets of Manhattan, they might give you a "free" electric frying pan for opening a six-month money market savings certificate.

The Franklin Savings and Loan Association, for example, takes out full-page adverts in the New York Times which promise Waring 7-speed blenders, St. Mary's electric blankets and General Electric Hot Air Corn Poppers in exchange for a deposit of more than $10,000 at an 11.98 per cent interest rate.

Now, here in Britain, in a far more subtle and less flamboyant manner, the Bank of America is laying careful plans to draw UK depositors away from traditional fixed-period high-interest rate finance companies.

Earlier in the week it was reported that the Bank of America, the world's largest bank, was intending to challenge established UK finance houses such as UDT and Lombard North Central with a large UK expansion programme. The plan, which could lead to High Street banking competition later on, is to offer higher interest rates to depositors on fixed period deposits.

Although less exciting than a free hair-dryer or toaster, the Bank of America plan could make for some heady competition as it expands its UK finance subsidiary over the next five years.

The idea is to enlarge the "BankAmerica Financial" chain of eight UK branches to around 50 by 1985. At the same time,

COMPANY	MINIMUM AMOUNT	RETURN* over 1 month (6 months in brackets) £1,000	£10,000	£25,000
	£	%	%	%
BankAmerica (estimated)	1,000	16½ (16½)	17¼ (17)	17½ (17)
UDT	10,000	—	17¼ (16¾)	17¾ (17)
Forward Trust	No min.	15 (15¼)	15 (15¼)	15 (15¼)
Lombard North Central	1,000	16½ (15¾)	16¾ (16)	16⅞ (16⅛)

* Based upon rates as of March 13, 1980.

the BankAmerica organisation, which had a £30m turnover last year, will also expand its finance services to include secured lending, first-time mortgages, white goods and industrial plant and machinery financing as well as the current H.P. motor car business. The group has just 1 per cent of the UK finance market. Mr. Geoff Marsh, managing director of Reading-based BankAmerica Finance, said: "We will plan on competing at first with other finance houses. Later on, we could well focus on the clearing banks."

Mr. Marsh said the U.S. subsidiary would attempt to offer better interest rates and would maintain a minimum level of £1,000 for potential High Street depositors. He said many of the branches in places such as Manchester, Leeds and Bristol were centrally located for retail customers.

"The only problem in Bristol is that there is a double yellow line outside the branch: You have to park at a meter around the corner," he said.

At United Dominions Trust, Britain's largest independent finance house, there was little concern about the Bank of America move. UDT, which has 81 branches around the UK, competes actively for fixed period deposits.

Mr. Arthur Richards, the group managing director, said: "We recognise that the entry of the Bank of America represents further competition, but we have lived for a long time in a competitive climate."

This view was echoed by Mr. Philip Tregaskis, a director at Lombard North Central, which is wholly owned by National Westminster and which last year had a turnover of £939.3m. He said: "We've never been afraid of competition. It should make things interesting. They are the largest bank in the world after all."

Mr. Tregaskis noted that a large proportion of fixed period deposits came from companies rather than individuals. But he said that many of Lombard's 113 branches are in the High Street and that there was a reasonable market from public sources.

In the coming months things should hot up. BankAmerica is planning an extensive publicity campaign to spur its growth from its minor place in the UK finance market.

Multi-media advertising is planned for this autumn. At present, BankAmerica is sponsoring the National Brass Band Championships as one way to gain recognition in the High Street.

There are no plans to give away toasters, colour televisions or automatic coffee-makers, but a competitive interest rate could just do the trick.

Alan Friedman

Big cars, mini thirsts

MOTORING
STUART MARSHALL


Citroen CX2500D; super looks, great comfort and nearly 40 miles per gallon.

IT REALLY is time to rebut that hoary old slander about diesels being very short on get up and go. Years ago, there was some truth in it but not today.

Last week, I drove to Geneva. The car that carried my wife and I swiftly and comfortably on a 1,286 mile round trip was a Citroën CX. As we drove off Townsend Thoresen's Viking Venturer at 7.30 in the morning into the near-deserted streets of Le Havre, we told ourselves we would keep at or below the 81 mph autoroute limit. Going faster would be illegal and potentially expensive.

But it was a constant struggle to stop the CX from creeping up into the naughty nineties. Its natural cruising gait, at which wind, road and engine noise was still minimal, was 10 mph faster than the autoroute limit.

On-the-road time for the 463 miles from Le Havre to Geneva, via Dijon and the Col de la Faucille, was eight hours five minutes, giving an average speed of 57 mph. About two-thirds of this was on the autoroute (including a nose to tail crawl on the Paris périférique for almost an hour). The rest was on "N" and "D" roads, some fast and traffic free, others crowded and slow. Clearly, we did not hang about. In town, we were first away from the lights more often than not. The return journey was much the same, except that the sunshine of the outward trip had turned into pouring rain.

At the beginning of this week, I brimmed the tank for the fourth time since leaving my home for Southampton, six days earlier. I had used 32.9 gallons to drive 1,286 miles, giving a consumption of exactly 39 mpg.

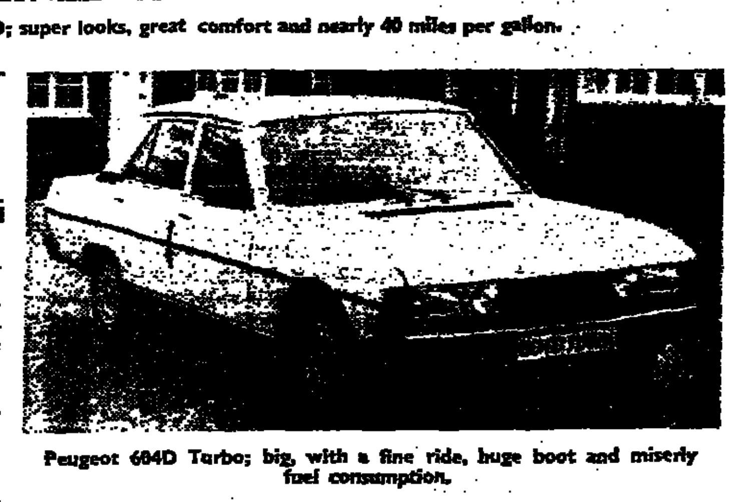
Impossible for a big car? Not with a diesel. The Citroën was the CX2500D Pallas, powered by a 2.5 litre, four-cylinder diesel developing 75 horsepower at 4,250 rpm and its maximum torque (pulling power at a given engine speed) at only 2,000 rpm. It is capable of 60 mph in third gear, 80 mph in fourth, but likes to pull hard at lower revolutions. In traffic, fifth can be held down to 28-30 mph and fourth to 22-24 mph, from which acceleration is clean. On the open road, pick-up in fifth between 45-65 mph is so good as to make fuel wasting downward changing unnecessary.

The engine clatters loudly after cold starting but the diesel noise largely disappears from about 1,000 rpm upwards. Throttle response is instant—just like a petrol engine's.

The five-speed gearbox is slick and everything else about the 2500D Pallas is typically Citroën. The ultra-direct, powered steering feels twitchy for the first hour but one has then learned to think the car round bends, not consciously steer it. Self-levelling pneumo-hydraulic suspension gives a superlative ride; only hump-back bridges take it by surprise. The seats are large and well shaped and there is plenty of room for five adults, though luggage space is less generous.

For the business motorist who drives long distances and feels that energy conservation is something to be practised, not just talked about, the Citroën CX2500D Pallas must appeal strongly at £7,725.

Earlier this year I tried a Peugeot aimed at exactly the same kind of customer — the 604D Turbo. This is powered by a turbo-charged version of the 2.3 litre, four-cylinder diesel used unblown in the 504 and 505 models. It develops more horsepower than the Citroën's 2.4 litre (80 bhp at 4,150 rpm against 75 bhp at 4,250) and nearly 25 per cent more torque at the same 2,000 rpm. Yet the Peugeot's 98 mph maximum is only one mph faster, presumably because of the Citroën's slipperier, more aerodynamically efficient shape.


Peugeot 604D Turbo; big, with a fine ride, huge boot and miserly fuel consumption.

The 604D Turbo comes very close to the Citroën for fuel economy. The official figures (Peugeot first) are urban cycle 29.4mpg/34.5 mpg; steady 56 mph, both do 46.3 mpg; and at a steady 75 mph, 32.8 mpg/34.9 mpg. On a repeat of the Citroën's well mannered dash to Geneva, I would expect an overall 37-38 mpg. Perhaps next year. . . .

Though so close to the Citroën in performance and economy, the Peugeot differs in character. It is even bigger and just as luxurious inside and has a splendid ride. But its handling is far more conventional; one feels instantly at home with its light, lower geared steering. The engine has a more subdued mutter at idling speeds and is at least as quiet on the motorway. Throttle response is not quite so good: the boot is much larger and more convenient to load. The 604D Turbo has central locking and an electric sunroof: both cars have electric windows.

The Peugeot costs £9,508, nearly £2,000 more than the Citroën—but then turbo-chargers and goodies like electric sunroofs and central locking have to be paid for.

Financial footnote: The 32.95 gallons of gasoil I used cost from £1.10 a gallon (St. Omer hypermarché) to £1.36 (my local Caffyns). Fuel cost was 3.2p a mile. A Citroën executive used 59.06 gallons of petrol to drive to Geneva in a CX2400GTi, giving 25.13 mpg over 1,484 miles. His fuel cost: 6.3p a mile, paying between £1.20 a gallon in Britain, £1.64 in France.

The diesel Pallas costs just £200 more than the petrol-engined version: the Peugeot 604D Turbo is £898 dearer than the less well equipped 604SL, £697 cheaper than the 604Ti.

Can Britain's executives, companies and Government afford to be lukewarm about the diesel car any longer?

PROPERTY

This way to the granny annexe

BY JUNE FIELD

WHEN A public relations man promoting oranges brought journalists down to his new country house for a delightful summer party, he was nonplussed to find that coverage concentrated not so much on the fruit but on the fact that he had built a special annexe for his widowed mother-in-law.

Mr. Sam Hepner decided to give granny her independence by allocating her separate private accommodation, with her own front door, coupled with the sense of security of having people nearby in case of need. Since then the term has been perpetuated in many homes intended for contented trouble-free family living.

Now that granny is no longer with them, and Hepner's family have gone their own ways, the stylish contemporary six-bedroom, two-bathroom house in Bagshot Road, near Worplesdon Golf Course, is up for sale on offers over £150,000.

So far there has been considerable interest from those with their own ideas for that extra two-bedroom, bathroom and kitchen wing, including one businessman who said he liked the idea of working from home and declared it would save him £15,000 a year in rent.

Mr. Hepner's "Cobrin" was built in 1961 by architects Scott, Brownrigg and Turner, who designed Guildford's Yvonne Arnaud Theatre, and the house was chosen to represent Surrey in the 1975 Architectural Heritage Year.

A feature of the three-acre landscaped gardens is the 40 ft sun terrace and the south-facing vine-clad balcony which produces 90 lbs of grapes a year.

For more details contact Mr. Tony. Williams, Prestons, Preston House, 4 Commercial Way, *Woking, Surrey (048 62 61943)*, open 9 am-6 pm, six days a week. For Sunday viewing telephone 0483 232729.

Not far away is Kantara, *Munstead View Road*, close to Bramley Golf Course, four miles from Guildford, a three-living-room, three-bedroom house, built about 11 years ago, also with a *self-contained two-bedroom* granny annexe. In two acres, with a rose garden, greenhouse and ornamental fish-pool with a waterfall. Details Wellar *Eggar, 4 Quary Street, Guildford* (0483 75202).

The same agents, together with Hoar, Sanderson and Spooner, —Godalming, have a five-bedroom *house, Velhurst Croft*, Rosemary Lane, Alford, near Cranleigh, Surrey, in three acres. A studio-cum-playroom over the garage could adapt to *extra accommodation.*

There is a heated swimming-pool with changing rooms, hard tennis court, soft-fruit cage and a brick stable block of three *boxes, a two-division paddock* and hay store. Offers in excess of £150,000.

Hampton and Sons, St. James's, London SW1, in conjunction with *Giddy and Giddy* of Maidenhead, has the six-bedroom, five-bathroom, half-timbered Baddow House, Pinkney Green, in two acres along*side National Trust commons*, for sale at offers in excess of £250,000. There is also a separate two-bedroom cottage near to the main house which *could* be used for relatives, friends or staff.

Close to Snape an interesting five-bedroom home with a granny annexe, plus stabling in 7½ acres, is for sale in the region of £70,000 through Fenn Wright Garrod Turner, 10 Market Place, Saxmundham (0728 3266). They will send full particulars if still available, together *with their Country Home Portfolio* which lists properties generally in the Suffolk area.

Parents accommodated in the east wing, says the promotional material on Colne Park, stately-looking home in 25 acres at Earls Colne, Colchester, approached by a ½-mile drive along pretty park and woodland.

The house, built in 1775, was modernised 10 years ago, and has five living rooms, eight bedrooms and four bathrooms plus a coach house with *stabling* and *clock tower*, modern three-bedroom cottage, swimming pool with adjoining games room and hard tennis court, with paddocks to the west and north. Mr. John Gibson, Savills, 135 London Road, Chelmsford, Essex (024 69311), is expecting offers in excess of *£200,000.*

Home is not quite the uncomplicated place it must surely once have been. Closed-circuit television t ovet visitors, special *locks, bars and grilles on doors* and windows to discourage the unwelcome, plus a safe-deposit for your valuables, are just a few of the sophisticated devices available for contemporary living.

The latest protection-package demonstrated at the Daily Mail Ideal Home Exhibition at Earl's Court, is Rentokil's "Life and Safety" security service. The basic system consists of police and fire call buttons, a smoke-detector and emergency aid call, with the nerve centre an *automatic electronic transmitter*, working through the normal house telephone.

When an emergency arises, you press one of the buttons *and the digital communicator* will electronically dial the telephone number of the company's security control room. Once the equipment receives the message, it goes on visual display and is logged on a hard-copy printer which shows the time of day, date, the custmer's number, and whether fire or police assistance is required, or there is some other emergency which relatives, friends or neighbours should know about.

After a connection fee of £80, the service costs £7 a month. As an optional extra there is an ultrasonic intruder alarm, a discreet small box rather like a hi-fi speaker, which will fill a room about 20 ft square with ultrasonic waves.

When these are disturbed by an intruder, a loud siren is set off that ca nbe heard outside, and is usually sufficient to scare off whoever was breaking in. Ideal for guarding a particularly valuable painting or piece of furniture. —

For more details and free advice about the protection of premises in London and within a 50-miles radius, contact Rentokil Security Division, 18 Grove Market Place, Eltham, London, SE9. (01-859 5575 or 5521), or Peter Bateman, Rentokil Advice Centre, Felcourt *East Grinstead*, West Sussex.

The Crado Alphasafe is a new product designed to make burglary less of a growth business. The manufacturers, Crado Devices, claims it is the first of its type in the world with a four-dial alphabet combination lock that gives over *456,000 four-letter codes.*

"Much easier to remember than numbers," Mr. Peter Dewles, Crado's joint managing director, says. "With a letter-code combination lock there is no key to be lost, and the code can be changed at will.

"Also there are no 'tumblers' for a crook to listen to, that went out a long time ago, in spite of what gangster films suggest."

The safe, which can be floor or wall-mounted, is said to be so strongly made that it will shrug off sledge-hammer attacks. It costs less than £105 in home improvement centres, locksmiths, builders' merchants, office equipment shops and department stores. More details from Peter Dowles, *Crado Devices*, 3, Bluebell Wood, Billericay, Essex.

Colne Park, Earls Colne, Colchester, Essex, an impressive 8-bedroom, 4-bathroom country house in 25 acres, with an east wing in which a separate self-contained granny flat could be incorporated on the ground floor. There is also a coach house, clock tower, *stabling and paddocks* and a *modern* 3-bedroom bungalow. Offers in excess of £200,000 are being sought by John Gibson, Savills, 136 London Road, Chelmsford, Essex. (0245 69311).

Baddow House, Pinckney's Green, is in 2 acres near Maidenhead, alongside National Trust commons, within easy reach of the M4 and Heathrow; it has 6 bedrooms, 5 bathrooms, 3 living-rooms, study, billiard room and galleried hall, plus a separate adjacent 2-bedroom cottage which could be used for a relative or friends. Offers in excess of £250,000 are being invited by Hampton & Sons, St. James's, London SW1, and Giddy & Giddy, Maidenhead.

Velhurst Croft, Rosemary Lane, in 3 acres, about a mile from the *village of Alford*, 5 miles from Cranleigh, Surrey. There are 5 bedrooms, 2 bathrooms, double garage with extra studio-playroom accommodation above. Offers in excess of £150,000 are being sought.

TRAVEL

Eastern whistle-stops

BY SYLVIE NICKELS

THERE IS AN Old World tendency to chide those of our New World friends who cross the Atlantic and "do." Europe in a couple of weeks. But, after analysing many of the tours currently available for the Far East, I can only conclude that the further you travel, the more frenzied your approach is likely to become. Because of the distance and because of the enormous variety and exotic unfamiliarity of that part of the world, there is indeed an awful temptation to try and digest a dozen cultures in as many days.

The temptation is made even greater by the ease with which it is possible to jet-hop about the area, as Speedbird are quick to point out. So their idea of a choice of short whistle-stop tours out of selected bases like Bangkok, Singapore and Hong Kong is not a bad one.

In this way you can at least create breathing space to suit yourself. Their suggestions include 3 days to the River Kwai from Bangkok, 4 days to Japan from Hong Kong and 5 days to the Philippines from any of the three. Allowance is made for the accommodation not used while away.

Such arrangements are characteristic of Far East travel where all kinds of little tours can be juggled together to add up to any duration and almost any combination of destinations. And this is where a tour operator with specialised knowledge of the area is invaluable. One possibility is to incorporate the leisurely aspects of all or part of a *Prinsendam* cruise (late October-April). From my own, forever memorable, experience of it I can certainly recommend this two-week odyssey ex-Singapore taking in seven other ports of call, mostly in Indonesia and including nearly two days at rest in Bali. Holland America Line offer a selection of optional add-ons, such as Bangkok or Hong Kong. The basic rate ex-UK is from about £1,400 for 18 days, which includes a couple of nights with full board in Singapore.

Quite a few Far East arrangements feature short trips into the People's Republic of China, but the recent opening up of this great and enigmatic country has led to much more extensive possibilities. Thomas Cook (who first went there in 1873) now offer a choice of 30 tours lasting from 19 to 26 days, between them covering some unusual areas as well as 40 cities. Their 1980 programme gives an excellent idea of what to expect—and not expect—and prices are in the £1,250-£1,800 range.

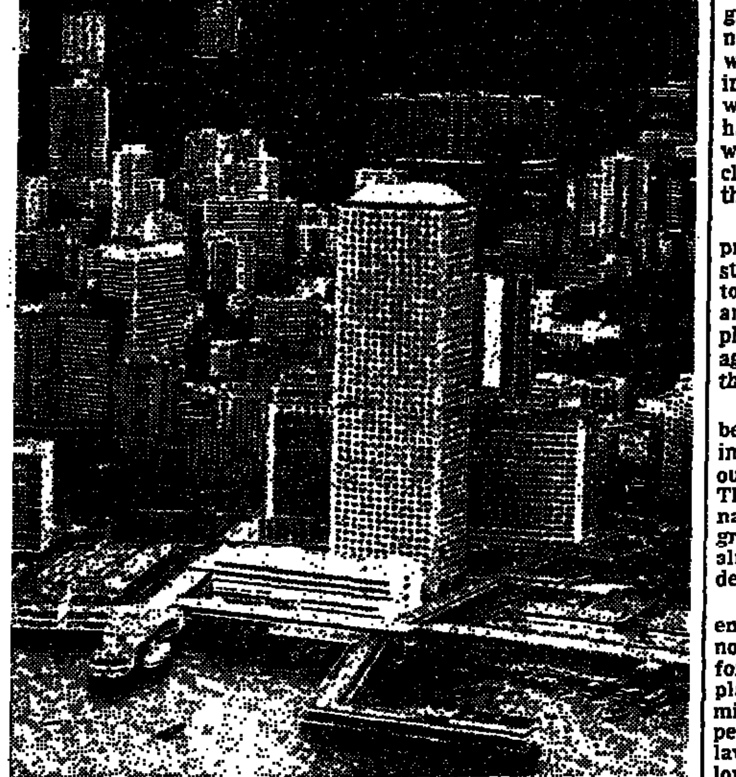
No visit to the Far East could exactly be described as conventional, but it can be largely devoted to such good old-fashioned pastimes as beach-lazing which, in turn, can be combined with short or long sightseeing trips. Holidays for beach addicts have long been the Club Mediterranée's business in many parts of the world, now including Cherating on the east coast of Malaysia. Accommodation is in their beach-side bungalow village with all kinds of sports and entertainment facilities included in the cost which, for two weeks with full-board, is £1,202 ex-Paris. Among various optional excursions is a one-week trip contrasting river-and-jungle travel in Borneo with the sophistications of Singapore.

Rankin Kuhn who, as far as I know, pioneered the idea of the extra "free week," offer this facility in Bali (early summer) and Thailand's Pattaya (May-October). By this scheme, if you book two weeks in Bali or one in Pattaya, you get another week free (room only basis). These well-established specialists in long haul travel have a selection of Far East tours including a 17-day one that combines some exploration of up-country Thailand with several days in a beach resort and 5-6 nights in Bangkok (from £664). Another long haul operator, Kuoni, have an interesting fly-drive offer in Malaysia: 18 days ex-UK to Kuala Lumpur (two night) with 14 days car hire and unlimited mileage (£534 for each of two). The car can also be dropped off at Penang or Singapore for an extra air fare of £14.

Oriental Magic, in conjunction with Singapore Airlines, have a 24-page Far East programme covering seven basic tours plus an "Independent Asia" selection featuring 16 cities and resorts, and particularly good reductions for children. Their "Oriental Supreme" combines Singapore, Hong Kong, Bangkok and Pattaya for a total of 17 Far Eastern nights; the cost of £1,836 covering top class b and b, some special meals and a couple of sightseeing trips offers the considerable attraction of a flight one way by Concorde.

Finally, for a deeper understanding of the cultural kaleidoscope of the Far East, Swan Hellenic have their series of 3-4 week art treasure tours (mainly winter, spring and autumn departures) each, as usual, in the company of a distinguished guest lecturer. There can be few more rewarding ways of reducing one's ignorance.

Addresses: Speedbird, 200 Buckingham Palace Road, London SW1W 9TJ; Holland America Line, 56 Haymarket, London SW1Y 4RZ; Thomas Cook, PO Box 36, Peterborough PE3 6SB; Club Mediteranée, 62 South Molton Street, London W1Y 1HH; Rankin Kuhn, 13/17 New Burlington Place, London W1X 2LB; Kuoni, Deepdene House, Dorking, Surrey; Oriental Magic, 25 Queen Street, Blackpool FY1 1TR; Swann Hellenic, 237-238 Tottenham Court Road, London W1P 0AL.



Pictures by Glyn Genin

Rye grass is growing

GARDENING

ARTHUR HELLYER

IT IS not so many years ago that rye grass was almost a term of abuse. Lawns formed from mixtures of seed containing rye grass were held to be cheap and nasty, unable to withstand hard wear, coarse in leaf and open in texture, readily invaded by weeds, growing so fast that they had to be cut several times a week and yet unsuitable for close cutting since this caused the rye grass to die altogether.

On top of all this rye grass produced long tough flowering stems, or bents, which refused to be cut by the lawn mower and so stuck up all over the place. With a blacklist like that against its name it is a wonder that rye grass sold at all.

The fact that it did was because of three qualities which, in the eyes of many gardeners, outweighed all the drawbacks. The seed was cheap, it germinated rapidly and freely and the grass it produced would grow almost anywhere except in dense shade.

If you were not a very enthusiastic gardener and had no intention of using the lawn for games requiring a very true playing surface, a rye grass mixture offered the best prospects of producing a reasonable lawn in the shortest time at the lowest cost.

Meanwhile the grass breeders were looking at rye grasses from two different standpoints. Some were interested in them as fodder for cattle and so wanted even broader leaved, faster growing varieties that would give the maximum yield per acre.

A great deal of pioneer work along these lines was done at the Welsh Plant Breeding Station at Aberystwyth and among the many fine grasses produced there was one that had excellent qualities as a lawn and sports field grass.

It branched more freely at soil level than most rye grasses, had more leaves in proportion to stalk and withstood mowing well provided it was not cut shorter than 2.5 cm (1 in). Like all grasses raised at Aberystwyth it was given a number, prefixed by the letter S for Sir George Stapleton who was then in charge of the station.

So it became ryegrass S23 and it not only sold in great quantities but entirely altered the outlook on rye grasses in general. The potentialities of the species as an amenity grass were realised and the hunt was on for even better varieties looked at from this quite different point of view.

No one who knows about lawns and sports ground grasses any longer sneers at rye grass. Specialists in several countries including Britain, Holland, Sweden and the U.S., are breeding them and new varieties are being turned out at such a rate that it is quite difficult to keep track of them.

One report of a Dutch trial lists 12 varieties, some of which have been grown since 1966 and nine have performed sufficiently well to merit serious consideration as amenity grasses. They include Manhattan and Sprinter, two rye grasses that are now appearing in British lawn and sports ground grass lists.

For those brought up on the tradition that rye grass is unable to withstand hard wear it is interesting to note that both Manhattan and Sprinter scored nine out of ten in this trial for that particular quality, the two highest scores for resistance to wear in the trial.

They also both got eight marks for winter hardiness, eight for density and eight for recovery after wear. They even got seven marks each for fineness of leaf. They are clearly very good grasses.

Another trial, reported by Johnsons Seeds, Boston, Lincolnshire, who handle large quantities of seed for sports turf, was designed in part to find out how many times various rye grasses had to be cut over a period of 16 months when allowed to grow to 10 cm (4 ins) before being cut to 5 cm (2 ins).

The answer for Manhatten and Sprinter was 17½ cuts, against 23½ cuts for Aberystwith S23 and 19½ for Pelo, another new rye grass that is becoming popular, Johnsons market a mixture of Manhattan, Pelo and Sprinter in the proportions 40 : 30 : 30 for sports ground use.

Another promising new rye grass, raised by Cebesco of Rotterdam, has now been launched on the British market by Hurst, the Witham, Essex wholesale seed firm. I have no trial results to compare this variety, named Hunter, with the other new rye grass varieties but it appears to be up to the best standards, relatively short, branching well to give good ground cover and with narrow dark green leaves.

Hurst's is so confident of its lawn making qualities that they are recommending sowing it on its own without any of the additions.

Rye grass is not the only species to have received intensive attention from the big commercial producers who have a potentially large and profitable outlet in the expanding sports field and golf course markets.

Smooth-stalked meadow grass, a common species in Britain and America, where it is called Kentucky bluegrass, has also been greatly developed and promoted, more so to-date in the U.S. than here though I believe this is due more to tradition than to any marked superiority of one grass over the other.

Smooth-stalked meadow grass does not start off so quickly as rye grass but it does in time produce a very good, hard wearing turf which holds its rich colour well. Like rye grass, it must not be cut very short but it is ideal for lawns that are required mainly as lush green carpets to set off flower beds and shrubs and to cut about once a week with a rotary machine.

Among the many improved varieties Merion is one of the oldest and best known in this country but Bensun seems to have established a lead in the U.S. and is becoming increasingly popular here. It is notably deep rooting and therefore drought resistant. It also withstands shade better than most grasses.

The whipping backlash

RACING

DOMINIC WIGAN

ANOTHER memorable Cheltenham was somewhat marred this year by not only injudicious riding by a number of experienced jockeys, but also by excessive use of the whip by other riders.

The Irish jockeys in particular seemed to be harsh in the extreme on one or two occasions, when it was clear that certain horses had no more to give, and there is no doubt, in my mind, that Joe Byrne was rightly reported to the Jockey Club "for excessive and improper use of the whip on Batista." Another rider reported to the Jockey Club for the same alleged offence was Tommy Ryan, who managed to get Drumlargan home in the Waterford Crystal Supreme Novices Hurdle.

Although it is true that the winner tried to run out after clearing the final flight, no one can dispute the fact that Ryan applied the whip at least 15 times on the run in and, furthermore, for some extraordinary reason, again hit Drumlargan when the pair had just passed the winning post. Ryan, who had on the previous day been fined £50 for excessive use of the whip on Mount Rivers, had this post race comment to make after Drumlargan's victory: "He's got a mind of his own, and you've got to show him who is boss." Those comments may be fair but it does not account for that final use of the whip when Ryan, a highly experienced rider, was well aware (or should have been) that the winning post had been reached and passed with Farmer comfortably held in second place.

On the subject of injudicious riding, I feel it must be said that Approaching was almost certainly given an extremely poor ride by Bob Davies, in the Tote Cheltenham Gold Cup. On ground officially described as heavy, Bob Davies asked Approaching for a major effort as the field climbed round the top of the hill, when he would have been far better advised to have tried to make up ground at a more gradual pace.

Had Approaching been ridden with more restraint, I feel he could well have been running on into a respectable second place behind Tied Cottage to collect the runner-up's prize of almost £11,000.

As it was, Approaching collected a mere £2,600 for his owner, as he passed the post an exhausted fourth.

CHEPSTOW

1.30—Lewis Homes**
2.00—Anaglog's Daughter*
2.30—Captain Midnight
3.00—Courtneigh***
3.30—Smuggler's Song
4.00—Stoke Rivers

NEWCASTLE

1.45—Thumps
2.15—Fortina's Express
2.45—Burelor
3.15—Scrunch
3.45—Robin Archer
4.15—Dibbinsdale Lad

Amateur realism

GOLF

BEN WRIGHT

IN FOUR weeks' time Peter McEvoy, one of the finest amateurs this country has produced, will play in this third U.S. Masters Championship. He is there because he has twice won the Amateur Championship—and because his family is moderately well off and because his wife comes from Augusta, Georgia.

Were it not for these factors the former amateur champion of Great Britain and Ireland could not possibly be there representing his country, and producing performances the like of which led him to being named the golf writers' Golfer of the Year in 1978.

McEvoy, a trainee solicitor, is an amateur *in excelsis*. Every penny of a meagre income is spent on his golf, and the contrast between him and the "amateur" contestants preparing for the Olympic Games is painful. Sponsorship, so beloved our athletes, is forbidden in amateur golf, as a recent ruling from the Royal and Ancient indicates.

McEvoy, having heard of the likes of Sebastian Coe training in the south of France: of Daley Thompson spending the winter in California and innumerable athletes working at their disciplines in New Zealand, decided to ask the Sports Aid Foundation for a grant. He wanted to go and hit some shots in Spain.

"I wanted to practise for the Masters," he said, "in less than arctic condtiions. Last year I got to the tournament and had hardly hit a shot, while the rest of them had been playing competitively for three months."

The application was not turned down—it was not even allowed to go forward. Sandy Sinclair, chairman of the relevant committee, said: "If he applies it will, without doubt, affect his amateur status."

This extraordinary, if not archaic, attitude is fully supported by the present rules. It is these rules which McEvoy wants to change. "I feel very strongly that when I am invited to play in an event, and particularly a championship, because I have won the Amateur Championship of Great Britain and Ireland, then that should be made possible."

There is an irony in McEvoy's campaign. He is one of the very few class golfers to remain amateur in the last decade or so, and he is not, in fact, attacking the R and A, but rather trying to preserve the amateur form of the game. For unless there are a few incentives to stay amateur then everyone will continue to turn professional, to the lasting detriment of the game.

There are already official exceptions to the rules governing amateur status. One of these makes it possible for amateur golfers in America to go to college and get four years continuous competitive golf for nothing.

The Americans, though, are very strict about amateurism outside of college. In 1975 for instance they made their Walker Cup team pay their own fares from St. Andrews, where the match had been played, to Hoylake where the Amateur Championship was about to be held.

It is this very strictness which means that amateur golf in America, after college, is very much the preserve of the rich. It is again, this kind of situation which has come to apply in this country.

The R and A has the opportunity, if the will is there, to do something about this illogical situation. There is a meeting of the amateur status committee on Monday. Sandy Sinclair says that the subject of McEvoy and the Sports Aid Foundation will undoubtedly be discussed and adds "It is our job, as a committee, to lead. But we must also listen.

"Personally, I would like to try to make it easier for players without money to play. I wasn't born with a silver spoon in my mouth and I do know, from personal experience, the problems.

"But while we and the Americans are as one over the rest of the game, the big area of difference is amateur status. They are very keen to maintain things as they are, with no more exceptions."

McEvoy makes the point, though, that it would be simplicity itself to make an exception for the holder of the amateur title to be allowed to compete, with financial assistance and, if invited, in major events.

He recognises, too, that the changes, if they occur may well come too late to help him. "Realistically," he says, "the chances of my winning the Amateur get less each year. But I firmly believe that future champions should be helped, not just for the glory, but also to show the flag a little."

The R and A has a further opportunity. On May 1 and 2 there is a World Golf Conference at St. Andrews. The question of amateur status could, and should, be raised. If there is unanimity on the issue then surely the Americans would find it difficult to ignore.

If they persisted, surely the rest of the world could, just for once, ignore the Americans.

Sales talk

WINTER SPORTS

ARTHUR SANDLES

AT THIS time of year the ski shops rush in considerable eagerness to clear their shelves. The offers are tempting and abundant, particularly this season when everyone bargained on a boom and, although there has been modest growth in the overall market, there has not been an explosion of business. The careful shopper for ski clothing, and ski equipment, can therefore find some excellent buys.

In all this, however, there are some considerable "buts." The biggest of all these is that nothing is a bargain if it is not what you needed in the first place. Beware of the ski shop that tries to talk you out of your first choice and, by the sheer temptation of price, tries to edge you into something you really know is not quite right—the skis that are a bit too short, the boots that are just a little loose, the suit that is a bit too tight. So much stock is around that the careful shopper can really find what he wants, and at a good price.

As a trial a week or so ago I went out shopping in London for skis for someone of my standard. After a lot of research I settled on four possibles, ranging from Rossingnol Saltos to Kneissl White Stars, and set off. The great temptation proved to be old-model Saltos at more than one-third less than current price, bu they (Pindisports) only had 170s, which is about 10 cms too short for my weight. The temptation was enormous, since Lillywhites were selling the same skis for nearly £70 more! In the end I settled (if I had ha dthe money) for Dynastar Pulsars at the YHA shop, current models and still one-third off.

The message really is not in the brand names nor the retail outlets but in the fact that if £70 is at stake it is well worth spending a few hours trudging or telephoning around until you find precisely what you want, not what the ski shop wants to sell.

Snow reports P.15

BOOKS

Lost leaders

BY C. P. SNOW

The Generation of 1914 by Robert Wohl. Weidenfeld and Nicolson. £12.95. 307 pages

The Generation of 1914 is an interesting and maddening book. The author is a professor of history at the University of California at Los Angeles. He is highly intelligent. He has an *extensive knowledge of modern* European politics. He has an equally extensive knowledge of *the literary cultures of at least* five European countries (France, Germany, England, Italy, Spain). Even if you have dipped fairly widely in other literatures besides your own, you will meet in this book sensible accounts of writers you have never heard of —and *some of whom you are* never likely to hear of again. The book is a valuable source of information. But it is held together by a theory, or an initial concept, that anyone as clever as Professor Wohl should have dismissed out of hand.

The concept is, that there was such a collectivity as "the generation of 1914." The author himself is uneasy about it, justifies it too insistently, erects a structure for what he likes to define as generational theory, tries to call in aid some of the writers he describes, searches *backwards and forwards in time*, so as to be able to include almost any writing person born between *1880 and 1900*.

Generations in this sense mean nothing. They are a lazy label beloved of café talkers all over Europe as they used to be called. Of course middle-class intellectuals (who are the main constituents of Wohl's work) born within a 20-year period will have faced some common experiences. Wohl's people, except for the Spaniards, faced a European war and a number *of them fought in it*.

They showed, as one might expect, a whole spectrum of responses. Some became enthusiastic fighting men, the *majority* behaved with dutiful patriotism in whatever country they belonged. Some (not very *many, the literary record being* misleading) contracted out of the war, and of all future wars.

In the same fashion, a good many of these intellectuals *were aware of a change in the* artistic and moral climate. Some basked in it. Some repudiated it, and so on.

There is nothing surprising in any of this.

The statistics of any population of intellectuals would *show a similar curve for any* period during the last 200 years. It is often better to *risk a generalisation* than to play for safety and never make one at all. Wohl's was a solemn but misjudged one, and has deprived us, though not entirely, of the benefit of his serious gifts.

When he comes down to detail, he is well worth reading. He spends some time in examining what was once a *pet English generalisation*, which he calls the myth of the lost generation. That is, the *irreparable loss to the country* on account of those destroyed in the 1914-18 war. This is not a myth shared by any of the other European belligerents. And yet, the British dead were just about half of the French out of a comparable population: and the same proportion, not the same absolute numbers, applied to Germany, much more populous than either of them.

Wohl's interpretation of the English myth seems to be somewhere near the truth. Officer casualties in all countries were relatively much higher than those of other ranks. In England, more than anywhere else, this swept away a large fraction of an élite—part *social, part educational*—who were expected to govern from top level down to the middle. *Even here, though, Wohl re*minds us, the English tended to exaggerate. They spoke as though no potential *leaders* survived. To take one field of activity, in cold fact many prominent post-war politicians had been infantry officers, including two Prime Ministers. Eden and Macmillan. Wohl has understated his case: he could *have said four, by adding* Churchill, in eccentric circumstances, and Attlee, who had a *particularly* strenuous war.

Wohl doesn't mention scientists and other kinds of intellectual, but tells us a lot about individual writers. He is specially good on Montherlant, one of the better writers of the century and one who hasn't been much *understood over here*. As with many of Wohl's representative figures, Montherlant became, or *had always been*, a luminary of the eccentric right. That was true all over Europe, and not *unknown in this country*. In Germany Ernst Jünger, the most heroic soldier of all writers, was the voice of the ex-combatants in the 1920s and, like so many, an extreme nationalist. It was rare for anyone who had been a fighting soldier to play any *part on the Left*.

One of the most original of Communist theoreticians, the *Italian Gramsci*, hadn't been a soldier because of a physical defect (he was like his fellow countryman, Leopardi, a hunchback, which is one of the odd facts sparkling all through Wohl's book). On the other hand, Omodeo, who according to Wohl wrote one of the most truthful of all war histories, was an artillery officer throughout nearly the whole of the Italian war. Wohl's judgment of his literary achievement, as on most *literary and biographical* matters, is one to be taken seriously, and it is that steady authority, not the generational theory, which redeems his book.

The Central London Recruiting Depot in 1914—a new account of the impact of the first war on society is reviewed today.

Two liberal champions

BY MARY HOPE

Out of the Way: Later Essays by Colin MacInnes. Martin Brian & O'Keeffe. £9.00, 344 pages

On the Contrary: Articles of Belief, 1946-1941 by Mary McCarthy. Weidenfeld & Nicolson. £8.00, 312 pages

"Common sense is the rationale of a democracy: a belief in common sense is the informing spirit of all demo*cratic institutions from the jury* system to universal suffrage. No emergency can justify the *national suspension of common* sense . . ." Thus Mary MacCarthy in 1952 when her country had, as now, some need of such admonitions. Common sense *and intelligent liberalism mark* out both of these collections of essays, which range from *literary criticism to accounts of* youth in the boy scouts.

In both writers their liberalism is the real thing: serious sorties into the other man's ground, abandoning the trenches for a recce and talks about talks. Colin MacInnes was *easier prey to the attraction of* trendy exoticisms than the more quizzical, intellectually tougher lady, but humanity and common sense informs his work shiningly: "I do not believe any man of any age to be irredeemable . . . I have an irrational faith in the ultimate decency of my fellow countrymen."

In both collections it is rather their assessments of the problems inherent in the exercise of liberal democracy which hold most interest: though the literary criticism is both astute and intelligent, it is the struggle to clarify liberal attitudes in the face of authoritarianism from both Left and Right which seems to me the most important reason for cherishing these essays. *Clear your mind of cant*, wrote Dr. Johnson: and so they do, nothing could be further from the "lack of humour, fanaticism and the slow drip of cant which thickened the utterance like nasal catarrh" of the Communist hard-liners of Mary McCarthy's youth.

It is an ability to despise and hate ideas, but cherish the *humanity of the men who hold* them which surely distinguishes the true liberal: a breed which, *if Democracy is to survive* must be held dear at all costs. It says something for both England and America that both these writers were allowed to pursue their gadfly ways: the present state of the Democratic world seems to be sharpening personal as well as ideological antagonisms, humanity is swamped as class and race relations deteriorate.

Colin MacInnes: in the steps of Orwell

How Colin MacInnes would have been depressed by the current honing of knives. His pieces on race and colonialism analyse and foretell only too accurately the pass to which we seem to be heading, and the only alternative route which we can't face:

> "The more I think of racialism . . . the more it seems to me this wretched folly is most dear to most of mankind . . . . in race hatred, there *seems pyschological security*, in the lack of it, a freedom that terrifies most souls."

No man can have tried more to inculcate that freedom into his readers; and he never allowed himself to be depressed by the stony ground. His spirited attempts to break out of the class and background from which he sprang — wonderful accounts of 19th century intellectual dynasties and their values — constantly to identify with others are, of course, defeated in the attempt. The enthusiastic questing, the *unquestioning respect for art* and learning, the intellectual demandingness and patriotism are *all qualities which* he rightly ascribes to those great dynasties — and they are all qualities which he himself embodies in his writings.

Try as he might to identify with other races and classes, he remained thank goodness, on the outside, clear sightedly looking in from outside, but with *understanding*. He remains a shining example of the English middle-class intellectual, ready to tackle anyone and anything, ready to see the other chap's point of view and point out to him, gently but firmly, the error of his ways, basically sticking *to the integrity of argument* which will never allow a punch below the belt.

His reputation as a hell-raiser and devoted bohemian is well-known, but the writing, which is how posterity will judge him, belongs in the great rational tradition. *Take only the article* on "The Criminal Society," 1961 which is a model of straight thinking and plain talking. This essay alone, together with his utterly dispassionate account of police methods in his essay on his arrest (wrongly) for posses*sion of pot, should be compul*sory reading for any discussion of the current arguments about police powers and morality. A firmer statement of the impossible role which a democratic society assigns to the police would be difficult to find. Once again, he hates the ideas but his care is for the humanity at risk.

Mary McCarthy's essays come from the period before all the world had tut-tutted over *The Group: and give a better idea of* the extreme wit and brilliance of her sparkling ratiocination. *They range from political* theorising, firmly rooted in personal experience, through seminal onslaughts on anti-feminist writings, to a hilarious put-down of the miserable Mme de Beauvoir's misguided assessment of America. Her questing wit, in pursuit of muddled thought is lethal both to her opponents and to herself.

The essay "*Artists in Uniform*," an account of her encounter with a red-neck colonel, *and her attempts to cover the* whole liberal field, while losing none of her feminine vanity is both subtle and self-deprecating: a brilliant exposition of both reactionary and liberal doublethink, ruthless towards her own as well as her adversaries' evasions.

To read such stuff after the self-righteous whinings of some liberal and feminist writers is really to learn the *name* of the game. Just as Colin MacInnes *savages the public who will not* admit that sometimes the police must use dubious methods to *get rightful convictions*, turning the tables on his wishy washy followers, so Ms. McCarthy is equally tough with friend and foe. *The essential is to con*tinue the search for truth—and there is nothing that propagandists of any feather hate more.

Fiction

Now forget the stage Irishman

BY MARTIN SEYMOUR-SMITH

Identity Papers by Anthony Cronin. Coop Books, £4.95. 194 pages

Sol by Mario Satz, translated from the Spanish by Helen R. Lane. Sidgwick and Jackson. £7.95. 432 pages

Jack Be Nimble by Nigel Williams. Secker and Warburg, £5.50. 213 pages

This Place is a Madhouse by Mary Hobson. Heinemann, £5.95. 183 pages

It is sobering to know that, in the middle of an alleged "Irish Renaissance," whose real viability has yet to be tested, Anthony Cronin is regarded, by a large number of those who are less pervious to fashion than the general run of literary journalists, as the best Irish poet living in Ireland.

After living in London for a long period in the 1950s and early 1960s, he returned to Dublin, and has stayed there and is content to be well known *only there: he forms part of a* non-school of Irish writers who are not particularly anxious to thrust themselves on the attention of the non-Irish as being Irish (and all that). *He has* published, among other work, a very distinguished *Collected Poems*, and one previous novel: *The Life of Riley*, a picaresque romp which most readers enjoyed more than regular doses of Donleavy.

Identity Papers is just as merry as *The Life of Riley*, but beneath the surface is more serious, more organised, more subtle and more thoughtful. It *is the most stimulating novel* I have read this year, and I don't expect my attention to be so fruitfully engaged again (although of course I hope that it is).

The publishers, the Writers' Co-operative, are not a sinister Marxist group, as their name might suggest, but a firm which believes that *too much* Irish work is getting into the hands of English publishers, with the result (this is the clear implication) that many Irish writers are tending to act "stage Irish" in a new and peculiarly non-authentic way. Many will agree.

Identity Papers is the richly inventive story of a baron between whom, and disaster, stands, he believes, a box — a box containing an extraordinary mixture of scandalous information: letters of Parnell, sadistic pornography, papers about James Joyce and Pigott the forger, and other secrets. The book, which is certainly written firmly within the comic tradition, has an extremely complex theme: it is really about how men and women try to live with what some would call *original sin, particularly with* its sexual aspects. This author would never offer his readers a "*message*": *but if I were* forced to infer one from this novel then I would say that it was: "Learn to live with your sexual self by laughter rather than cruelty." But there are many more over- and undertones than this.

Although *Identity Papers* has some superficial resemblances to *At Swim Two-Birds*, it is *within its Irish context a quite* different kind of book. I should put it forward as a classic, and should hope that it will refamiliarise English readers with an important name. Coop Books are distributed outside Ireland by Wildwood House.

It is now well known that the Latin-American continent has produced several novels of *genius—even though some of* these are much better recognised than others. Mario Satz is an Argentinian, born in 1944, and his book is presented to us as in the tradition of Carlos Fuentes, García Márquez and (for some unknown reason) Borges. It is a massive book, and is the first of a trilogy. The "characters have a double *motion: they rotate around their* own axes and shift position in relation to the others" (shades of Durrell's cut-price relativity?)

Alas, this ambitious scheme is anything but in the tradition of García Márquez or Fuentes or Juan Rulfo (another less well *known novelist, just as power*ful). It is modelled on that tradition, and tries to take advantage of it. There is energy and verve in the writing, but the author himself has all too obviously become lost in the complexity of his own cerebrations: the novel is very hard to read, as well as depressingly complacent in its acceptance of stock anti-authoritarian attitudes.

Nigel Williams won the *Somerset Maugham Award* for 1978 with *My Life Closed Twice*, and is becoming well known as a writer of plays. *Jack Be Nimble* is a very intelligent but somehow rather scrappy (perhaps hurriedly written?) account of a man who selfishly *depends on women, but does not* know why. It may have unduly depressed me because it deals (though very satirically) with the not unsqualid life-style of London's apparently dispossessed young people. The author is certainly aware of *how awful his characters are*, but his record of them lacks sharpness—and he seems to have forgotten that everyone is interesting in some way.

This Place is a Madhouse is a competent description of the experiences in a psychiatric ward of a woman who collapses because of what she imagines is the lack of purpose in her life. While in hospital she discovers herself, though through no help of the people who run it. The theme is obviously a risky one—it has been done badly all too often—but this novel carries it off without lap*sing into more than a few clichés* and sentimentalities. Mary Hobson writes lucidly and warmly about situations which can all too easily be dismissed as merely boring.

The art of the defence

BRIDGE

E. P. C. COTTER

HUGH KELSEY'S classic, Killing Defence at Bridge, is now available in paperback (Faber £1.95). Every serious *student of the game needs* a copy of this excellent book.

Let us see what we can learn from this hand—the theme is Counting:

N.
♠ K J 10 6
♥ K 3
♦ 8 4 3
♣ A K 7 2

W.
♠ 7 3
♥ J 10 9 7 5
♦ A 5
♣ 9 6 5 4

E.
♠ 9 8 5 2
♥ Q 8 4
♦ K J 7
♣ Q J 3

S.
♠ A Q 4
♥ A 6 2
♦ Q 10 9 6 2
♣ 10 8

South *deals* at a love score and opens the bidding with one (weak) no trump, 12-14 points. *North replies with a Stayman* two clubs, and after the opener's rebid of two diamonds jumps to three no trumps. *West leads* the Knave of hearts, dummy plays low, you, sitting East, encourage with the eight, and declarer plays the two. West continues with the nine of hearts to dummy's King, and you, of course, unblock with the Queen. *Declarer now leads the* three of diamonds from the table—what is your plan of defence?

Prospects are poor—dummy is strong with 14 points. You add your own 9 points, and you realise that, if South has a minimum, there is just room for your partner to have an Ace. Indeed, he must have an Ace if you are to defeat the contract —and it must be the Diamond Ace at that.

When you have worked this out, you know the right defence. You must rise at once *with your diamond King* and return your remaining heart to clear the suit. The declarer *wins with his Ace, but he can*not make his contract without setting up a diamond trick so he *plays another diamond*. Your partner's Ace, preserved by your brilliant play of the King, takes the trick and enables him to cash two hearts and defeat the contract.

The opportunity for this defensive "second hand high" play occurs with reasonable frequency but Easts who don't count will not see any *point in this risky play*.

We turn to Partnership Co-operation:

N.
♠ A Q J 7
♥ 8 4
♦ K 9 6 2
♣ 10 9 5

W.
♠ 9 6 3
♥ 10 9 5 2
♦ Q J 8 3
♣ K 6

E.
♠ 10 8 5
♥ K Q J 7 3
♦ A 10 7 4
♣ 2

S.
♠ K 4 2
♥ A 6
♦ 5
♣ A Q J 8 7 4 3

West deals at game to North-*South, and after two passes you* say one heart, South bids three clubs—strong, not pre-emptive *—North raises to four clubs*, and South goes on to five.

Your partner, West, leads the *heart two, and your Knave is* won by South's Ace. Declarer crosses to the Knave of spades and runs the club ten, which loses to West's King. Now your partner, like the good player he is, switches to the diamond Queen—how do you propose to defend?

West realised that you must hold the diamond Ace if the *contract was to be beaten*, but he was not sure whether a second heart could be cashed—*you might have started with a* six-card suit. But you do know the position—West's two of hearts, showing four cards, tells you that declarer holds another heart in his hand. You overtake the diamond Queen with your Ace and cash a heart for the setting trick. If you don't play the Ace, West will play another diamond, and the game is gone.

With his big trump holding, declarer might have considered cashing the Club Ace and run*ning the top Spades—the win*ning line of play.

CHESS

LEONARD BARDEN

EARLY events in the 1980 Cutty Sark Grand Prix have already shown that John Nunn, who won last year's £2,000 top award, is again in contention. Nunn's victory in the ICL Hastings Premier qualified for bonus points in one of the *strongest internationals of the* year, and he was also runner-up at Islington.

Other tournaments like the Hastings Challengers and Ports*mouth where Nunn's rivals ex*pected to pick up Grand Prix points have fallen to overseas entrants. At Portsmouth the Colombian master Cuartas, resident in London for several months, defeated Bellin, the British champion, in the final round.

The Cutty Sark circuit and *other* weekend congresses give many players their first experience of competitive chess. Besides an *open-to-all event* where one can be paired with experts and masters, there are usually additional tournaments restricted to players below a *certain national grade* or without any published form. Some congresses run events purely for novices. Five or six games in the weekend is a normal schedule.

Easter sees congresses at Bolton, Folkestone, Harrogate, Southend, Sutton and Weymouth: the previous weekend (March 28-30) features Basingstoke, Dundee, Exeter, Frodsham and Norwich. Boards, sets and clocks are provided by the *organisers, entry fees are mod*erate, and entry numbers range from dozens to hundreds. Any reader *wishing to try his or her* skill in such a competition can find further information in the British Chess Federation's monthly Newsflash (30p from 4, The Close, Norwich).

This week's game is from the Portsmouth Open and should *help to offset the impression* from most published games that mating attacks always overcome defence. Black's king is chased to an unlikely queen's side dugout but unexpectedly survives.

White: T. Farrand (Stockport). *Black*: A. *Cullinane* (Portsmouth). French Defence (Portsmouth 1980).

1 P-K4, P-K3; 2 P-Q4, P-Q4; 3 N-QB3, B-N5; 4 P-K5, P-QB4; 5 P-QR3, B-R4.

This enterprising alternative to the usual BxN ch was popularised by Botvinnik in his world title match with Smyslov more than 20 years ago.

6 P-QN4, PxQP; 7 Q-N4, N-K2; 8 PxB, PxN; 9 QxNP, R-N1; 10 QxP, QN-B3; 11 N-B3 (safer than 11 P-B4), QxP; 12 N-N5.

The Batsford book by Wicker and Moles recommends 12 R-QN1. The *strategy—if that* word is appropriate for such a tactical situation—is for Black to sacrifice his king's side in return for active piece play in the *centre*.

12 . . . R-B1; 13 Q-N7 (an innovation in place of the book 13 P-B4 or 13 Q-R5), N-B4; 14 Q-B6, Q-R5; 15 B-Q3, QN-Q5; 16 P-N4, N-R5; 17 B-K3, NxP *ch?! (overlooking White's 19th.* Instead B-Q2 or P-QR3 would make White's earlier play *dubious)*; 18 BxN, QxB; 19 B-B5, Q-Q7 ch; 20 K-B1, K-Q2!

An ingenious resource. If now 21 BxR Black fights on with P-N3.

21 Q-K7 ch, K-B3; 22 Q-Q6 ch, K-N4; 23 R-N1 ch, K-B5; 24 R-N4 ch, K-Q6; 25 R-Q4 ch, K-B7; 26 RxQ ch, PxR; 27 K-K2, P-N3.

Black has only rook for queen, but his king has thrived on its death march so that White has to play carefully.

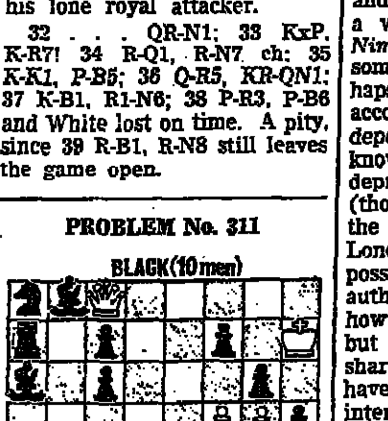
28 Q-B6, B-R3 ch; 29 K-K3, *PxB; 30 Q-R4 ch, K-B6; 31 Q-R5* ch, K-N6; 32 QxB?

Greedy. After 32 KxP White is still probably winning, but now Black has time to reinforce his lone royal attacker.

32 . . . QR-N1; 33 KxP, K-R7! 34 R-Q1, R-N7 ch; 35 *K-K1, P-B5; 36 Q-R5, KR-QN1*; 37 K-B1, R1-N6; 38 P-R3, P-B6 and White lost on time. A pity, since 39 R-B1, R-N8 still leaves the game open.

POSITION No. 311

BLACK (10men)

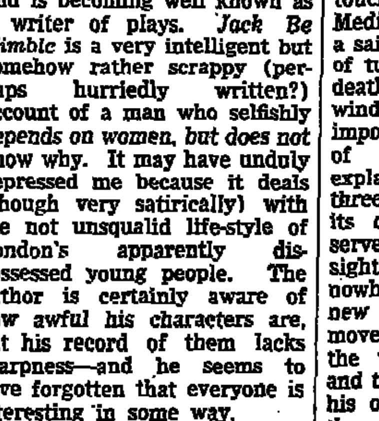


WHITE (10men)

J. Timman (Netherlands) v. R. Byrne (U.S.), Wijk aan Zee 1980. White (to move) gave up *rook for bishop to reach this* position, but now if his attacked queen moves the rook (with check) or bishop is left unguarded. What should he play, and how should the game go?

PROBLEM No. 311

BLACK (10 men)



WHITE (10 men)

White mates in three moves at latest, against any defence (by V. Somerpuu, 1st prize Finland 1943). At first glance easy, since can mate either by a queen check or by protecting *his KRP and playing P-KN3*; but really quite subtle.

Solutions Page 14

Persians repulsed

BY ROBIN LANE FOX

The War of Thermopylae by Ernle Bradford. Macmillan, £7.95. 255 pages

Ernle Bradford has picked a good old story and told it well enough. 480 BC is still with us. Had it gone the other way, there would be nothing much worth seeing in Athens, no force to the history of democracy, nothing for the RSC to have betrayed in a series of rather shallow romps. In 480, a grand Persian invasion was *repulsed against all odds from* Greece. The weather played some very odd tricks. So did some of the Greek traitors, not least a shady King of Macedon, Alexander 1, namesake of the Great. Victory gave Greece's leaders a new self-confidence. It sharpened their own identity against a barbarian world. It gave democracy a *new depth, disinclining* the lower orders, above all the sailors of Athens, to sit and *be ordered around*. It also inspired the world's first historian, Herodotus. Anyone who retells the story has to come to terms with this genius and his narrative, second only to Homer in the literary legacy of the ancient world.

Mr. Bradford holds to a strong story-line and adds the touches of one who knows the Mediterranean at first-hand as a sailor. He has seen its shoals of tunny-fish being battered to death. He understands the local winds, the meltemi and the all-important maistro. The battle of Salamis is still best explained by assuming at least *three shifts in the wind during* its course, so his experience serves him well, the best insights in the book. He is nowhere concerned to break *new ground*. He is content to move between Herodotus and the views of recent scholars and their popular books. He has his own flashes of colour, but the result is a story for those who know nothing already about the campaign and want *to share it with the straight*forward pen of an intelligent amateur.

Personally, I would prefer Herodotus. He is not altogether lost in his Penguin translation, though the maps are very poor and Mr. Bradford's do a better job. Some of the extra touches which his latest successor has *added are not at all certain*. We do not know that Xerxes was a Zoroastrian. Many still doubt whether the strategic decree of Themistocles, found against all odds in the early 1960s, can really be genuine. Mr. Bradford *is commendably accurate* on less treacherous ground and ties in the contemporary conflict between Carthage and Sicily. With Herodotus, however, you see it all, Sicily too, through the widest and shrewdest eyes of the age. Anyone can scale down his numbers, exaggerations which are true to the mood of the times.

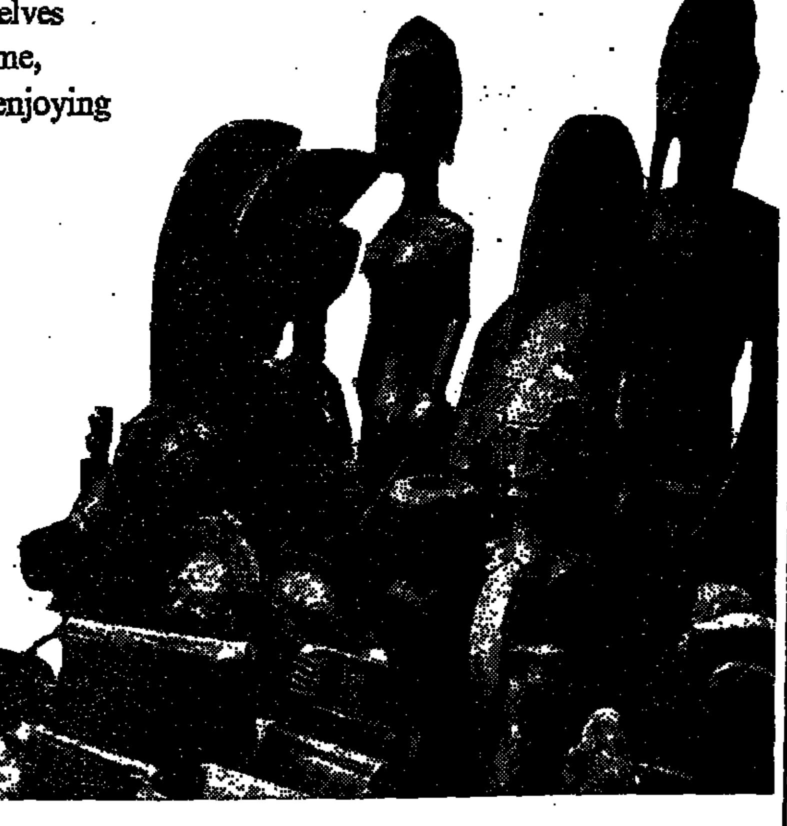
The old verdicts are left to stand. The Spartan infantry *won Plataea. The cunning of* Themistocles won Salamis at sea. The Spartan dead at Thermopylae were *magnificent*. The weather was decidedly philhellenic, especially off Euboea. Some manoeuvres are left hanging in the air, not least the first Greek march up to Tempe. Like Herodotus, Mr. Bradford loves his story. He has good words for Spartan bravery, but I think him wrong to protest that Herodotus's narrative is biassed *in favour of Athens*. Its pattern seems to me more complex. Throughout, too, I *remember the quarrels of the* last big Greek expedition, Homer's army before Troy. The year of 480 made heroes of the Greeks, but heroes, especially heroes who know Homer, are prone to quarrel among themselves. Mr. Bradford's replay *is at times too disbelieving of* some thoroughly heroic fouls.

HOW TO SPEND IT

by Lucia van der Post

Browsing round antique markets is an abiding pleasure. For those who might find themselves in Paris in the weeks or the months to come, MEL LEWIS offers some guidelines to enjoying the famous Marché aux Puces.

Flea market comes up to scratch



Carved wooden figures from Africa—some old, some new

YOU DON'T NEED many francs to enjoy the Paris Flea Market—but you do need a good pair of walking shoes, a plan of attack and a *plan*, a map of the market.

The best guide, including a *map, is a new magazine-style* publication (in French) in the series *Paris Aux Cent Villages*. *I bought mine in the market*, price FFr 15 (about £1.60) from the woman selling accordions and brass instruments at 7, Rue Villa Biron.

Is the *Marché aux Puces* truly a village? Sizewise, certainly not. It hogs a massive triangle *of flat ground in the shadow of* Paris's kamikaze ring road, the Périphérique. At first glance the market looks more like a transit camp for refugees, only the rows of fading clothes are for sale, not drying in the breeze.

And when the crowds—up to 200,000 over Saturday, Sunday and Monday—throng through *the alleyways the Puces has all* the charm of Saigon in its dying days (see *The Deerhunter*, if you can't picture that).

But there are changes afoot that will add intimacy—and quality—to this ragamuffin agglomeration of markets, seven at the last count. For a start, some of the dealers are getting a proper roof over their heads. *As a result, more valuable or* fragile items can be safely stored and protected from the elements and theft.

The indoor trend is attracting London's dealers who prefer to do their bartering without holding an umbrella. I know one Art Nouveau and Deco glass expert who buys "better" in the Flea Market than at home. "After all," he says, "Gallé, Daum, Lalique were French. There's more of their work in *France*."

In the Marché des Rosiers, Y. H. Portefax specialises in glass from 1900-30, and 91 Galéric Rosiers specialises in Art Nouveau glass and bronze sculptures.

Modest junk

Tourists and weekend visitors to Paris will, however, have more modest goals. I wanted to savour the *differences* of the market, compared with Portobello Road, Petticoat Lane and *the like. Was there still genuine* junk in Paris, of the sort you find down East London's Kingsland *High Road*, the "Waste," of a Saturday; junk which enables the do-it-yourself handyman to fit and furnish his home workshop for about £20?

A friend had dared me to have my palm read, for FFr 20, by the gypsies who haunt the alley*ways of the Marché Vernaison* —but I chickened out of that. And lunch was to be at Chez Louisette, a restaurant supposedly redolent of pre-war Paris, tucked away at the back of Vernaison. Django Reinhardt's nephew still played guitar there, they said.

An old butter-churn, filled with dried flowers, going for FFr 650.

As for actually buying things, I was interested only in knick*knacks up to about £100, some*thing chic to add character to a modern, whitewashed, boxy living room, with obligatory Casa Pupo rug.

In this respect there was much to choose. Yves et Cecille, stand 32, Marché Serpette had, from the turn of the century, a handsome stove enamelled the colour of a French breakfast cup. It was FFr 1,000, about £105.

Close by 29 Rue Jules-Vallès, a woman was selling small *furniture under a "canopy."* She had stuck a sheaf of dried plants into an old butter churn. "The paddles inside are the original oak," she explained, but "the outside, of pine, may have had some work done to it."

Relics from the past

Argot pucier takes some learning. "Il est bon" has the same weight as the old East End peddler's expression "It's right," usually followed by "guv'nor," meaning it's real, genuinely old, *de l'époque*.

At La Merisaie I found a double child's school desk, *complete with inkwells and bench* seat, for FFr 1,500. Max Fils, in the Marché Vernaison, was selling, for FFr 850 a *lightweight* metal wash-stand with a lid that opened to reveal a large mirror and wash bowl. It looked like an army relic, for ablutions in the field, and had been polished to bare metal. Flowers in the bowl would reflect beautifully.

Also in Vernaison, at Louis Rossinès, was, at less than £60, a wooden *prie Dieu* of stunning elegance with hinged knee rest and miniature built-in Bible box with lid. It just cried out for porcelain *jardinières* and tumbling houseplants.

I found little in the way of *secondhand tools, but a lot of* serviceable old office equipment—the French have come up with *some original solutions for* storing bulky files, like revolving circular shelves.

For those more enamoured of souvenirs that one can stow in a flight bag, there was a bookseller at stand 148, Rue des Rosiers. He had on show a copy of *Voyages Extraordinaires* by Jules Verne in a volume with *Les Enfants du Capitaine Grant* and a further selection—priced from FFr 500 to 2,000—of Verne works under glass *inside*.

A first edition copy of *Undine*, illustrated by Rackham, *was going for FFr600; and Alice in Wonderland*, with colour plates by Margaret W. Tarrant, was marked at FFr250. French poster enthusiasts will thrill to the selection of linen-backed originals to be found at the stand next door.

By this time many of the stands were deserted. Where food is concerned, in France it's *pleasure* before business and many dealers disappear between 12 pm and 2 pm.

I got to Chez Louisette before 12.30 pm—any later and I would have been disappointed.

This fascinating, *chaotic venue* is not to be missed. The atmosphere is raucous. From the ceiling hang at least 13 different kinds of ancient, now electrified lights; customers' oil paintings, mostly for sale, hang from the upper walls. The waiters screech at each other—and at the maitre d'—across the room, while the accordian, guitar and singer pump out corny Parisian classics (the *gypsy guitarist is not the* maestro's nephew a waiter told me, but he is "*de la famille.*").

I started with *les trois coeurs* —hearts of artichokes, palm and celery at FFr12, followed by un steak maitre d'hotel, FFr23, and a bière blonde, FFr6. The bill includes a handsome service charge—and there's a collection for the musicians.

What better as an after lunch digestif than conversation? Jean-Charles Maratier runs the old clothes shop *at 41 Rue Jules-Vallès*. A great bear of a man, he is delighted to talk to visitors and has passable and unstoppable English. He sells theatrical and period costumes and militaria (though dealers are forbidden to trade in Nazi relics).

Theatrical costumes

He told of the dreams that *had long since passed through* his hands—the entire costumery of the Ballets Russes, post-war outfits of *the Folies Bergère*, the stage garb of Mistinguette and Chevalier. An ordinary long theatrical dress today sells for FFr 800, a good Charleston era dress from FFr 1,000 to 2,000. Instead of buying, you might try selling something. Michelle Maurel, who runs the street level *stand* below Maratier, says Paris is crying out for top hats and *chapeaux melons*—bowlers.

Maratier claims the Flea Market is making a mistake in *sprucing itself up "Prices* are too high, and there is not enough trade." Soon it will succumb to the "*English* disease —dealers selling to dealers with the public merely looking on."

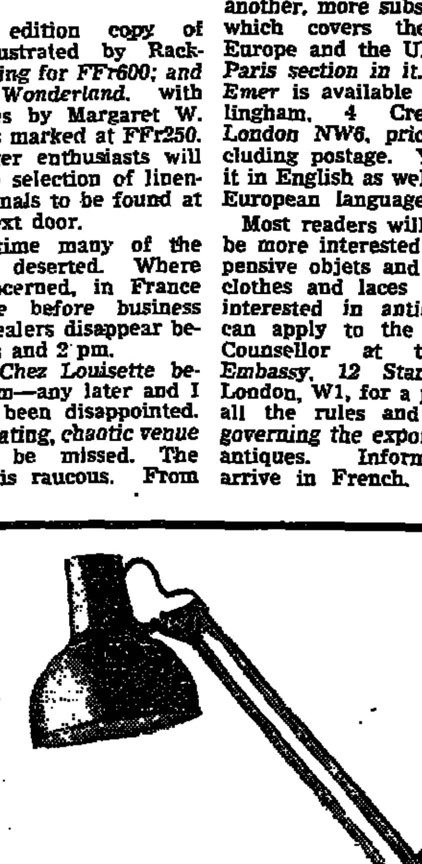
Certainly there is a swift readiness to drop an initial asking price at the slightest hint of a sale, and it is as well to remember an old tradition of *the Puces that a sale to the* first customer betokens a day of good trade. So, an early *start—and do not forget* that map.

●

Besides the guide mentioned in the article above, there is another, more substantial guide which covers the whole of Europe and the UK and has a *Paris section in it. The Guide Emer* is available from G. Gillingham, 4 Crediton Hill, *London NW6, price £12.50* including postage. You can buy it in English as well as in other European languages.

Most readers will presumably be more interested in the inexpensive objets and the antique laces but anybody interested in antiques proper can apply to the Commercial Counsellor at the French *Embassy, 12 Stanhope Gate*, London, W1, for a photocopy of all the rules and regulations *governing the exporting of said* antiques. Information will arrive in French.

Lighting up time



CHAIN-STORE DESIGN, in *certain areas*, seems to get better and better. Lighting is a particularly successful arena for the high street giants, with British Home Stores already well-established as one of the best places to search for lights of any sort.

Here, from all Woolworth and Woolco stores early in April is this splendidly straight-forward and practical light. It has a clamp which can be used to attach it to a shelf, table, or desk and the unit itself can pivot through 360 degrees. The arm, too, can be easily adjusted while the lamp housing can be angled in any direction required. This means it should be exceedingly useful for providing specific light for those who need it for homework, reading, hobbies or any other activity requiring good lighting.

The lamp housing is available in brown or white and it takes a 60 watt bulb. At £5.49 *it strikes me as one of the best* lighting buys around.

Drawing by Celia Baker

On a Pierrot theme

ARTISTS and designers have been fascinated by the Pierrot theme since time immemorial but recently there seems to have been a more intense degree of interest than usual. Some readers may remember some amusing ceramics from America, all featuring a Pierrot somewhere, which I wrote about last year.

Now Pan Henry, who runs the Casson Gallery at 73 Marylebone High Street, London W.1, *has gathered together an in*credibly beautiful collection of unique works of art, all explor*ing and developing the sweet* sadness of that haunting figure from the world of the French pantomime.

The most arresting collection of Pierrots is a group of 38, all made from ceramic, though magnificently clothed in silk, by Philip Heath. Each of the Pierrots is placed in an environment of its own, each one tells a story. Photographed top right, for instance, is Tea and Sympathy—the Pierrot himself and his environment are made from ceramic (even the tea-chest which is so realistically *wood-like). Philip Heath's wife*, Chris, makes the costumes from pure silks and crepe-de-chines in the most beautiful colours of gold, vermilion, salmon pink, powder puff blue, indigo, purple and so on.

A Night At The Opera is another little Pierrot story—here the figure is set in a theatrical box and is clothed in red and gold silk. All the Pierrots come out of their boxes and their environment and the *whole atmosphere of the set-*piece can be dramatically changed by re-arranging the figure and his relationship to the scene around him.

All the figures and the clothes are, of course, unique and hand-made with prices vary*ing from £120 to £300*. Pan Henry reports that in Marylebone High Street they are generating an enormous amount of interest with people coming in off the street intrigued by this collection which is like nothing they have seen before.

Not part of the special ex*hibition, but part of the normal* stock that the gallery holds, is a collection of some very special jewellery by *Lucy Copleston*. In silver and mother-of-pearl, the pieces are all very dramatic but at the same time immensely wearable.

All the figures can be used as brooches or pendants (each brooch has a loop on the *back so that it can be put on a* chain). The pendant and its chain, shown here, are £49, while the inset brooch is £42.

How to save it

THE high street reductions go on. Every week several new announcements land on my desk asking me to tell readers of yet more reductions, or more opportunities for special savings. It is a sad commentary on the state of retailing in particular and the economy in general but it all adds up to good news for those who need to replace the old and the worn or for those who are setting up home and house for *the first time round* and find the full retail prices more than daunting.

Of course, nobody should buy anything they don't need simply because it is reduced but if you are thinking of sprucing up your home a bit, now is certainly as good a time to do it as any.

The Reject Shops have a *surprisingly good selection of* soft furnishings in all their shops — I say, surprisingly, *only because*, many people tend to think of the chain as specialising in smaller house*hold items like china and glass*. I recently bought a Reject Shop sofa in the autumn sale and have found it exceedingly good value compared with what else is currently available at a similar price.

Yet again the chain is offering a reduction of between 10 per cent and 15 per cent on all soft *furnishings bought before the* end of March.

The *price* reduction means that a two-seater sofa, ready-covered in Baker's Tapei fabric, *can be bought for £215 and the* price will include delivery anywhere in England and Wales. There are now seven Reject Shops up and down the country (including three in London, the newest being the Reject Shop at Bournes, which has a particularly good selection of soft furnishings).

Anybody planning to do some redecorating this spring might like to go along to Osborne and Little at 304, Kings Road, London, S.W.3. Alas, this offer is available to personal shoppers only but as the reductions are very large (on *average* 70 per cent) and as Osborne and Little's designs are, in my view, some of the most elegant and most original on the market, *it* could be worth quite a long journey. Many of the offers are *on designs which will be dis*continued, as the shop wishes to clear the decks for its new collection of *wallpapers* and co-ordinating fabrics which will be launched later in the year.

Postscript

IF THERE IS anybody going skiing before the snows begin to melt (there's still some four weeks to go in theory) who hasn't yet bought his or her gear for the slopes *the latest fashion* report from Chamonix (from where I have just returned) is that the most eye-catching garment of all to wear is the common-or-garden worker's overalls or dungarees.

As far as I could tell it was the tall, beautiful blondes from Scandinavia and Germany who seemed to have discovered them and very fetching they looked, too. *They appeared to have dyed* them at home in fondant colours (bright pinks, yellows, blues and *lilacs*) and wore over them toning or contrasting gilets. They are not waterproof so don't be tempted to do anything like a long day-outing in them.

If you want something more practical, then the next most eye-catching outfits were the brightly-coloured all-in-one suits that looked rather like airmen's suits. Worn on trim little French women with neat little Daniel Hechter bags to hold their *maquillage* and other essentials *they looked very desirable*.

Sun on the slopes can be exceedingly dangerous at worst and *ageing at the least*. For those who are allergic to the strong ultra-violet rays, as I am, it is worth knowing that Clinique has a marvellous collection of complete sun protection creams. As we had 12 days of brilliant sunshine out of 13 I *wore Clinique's Sun Block* cream for several days until I began tentatively to see if I could invite a *little tanning. It worked* admirably. To promote a tan Clinique now has a Suntan Encourager cream which sounds excellent.

If you want to go out in the sun looking rather healthy and not revealing your British pallor try Estée Lauder's Self-Action Tanning Creme. Apply some each night and you'll tan gradually overnight, just like the luckier skiers who can take *the sun. It costs* £5.50 a tube.

Men, not being quite so vain as women, often don't take enough care on the slopes. The Aramis range of ski preparations is beautifully thought-out. There are tiny little tubes, just the size to fit into anorak pockets, and catering for all types of skin — there are protectors, including complete sunblocks, self-action, tanning and après-ski lotions. Only available from Harrods, Selfridges and Simpsons in London and from Rackhams in Birmingham and Frasers of Glasgow.

ARTS

Under interrogation

BY ANTHONY CURTIS

A writer with a block; a girl with an unplanned pregnancy; a Nazi stud farm to breed pure Aryan offspring—such has been the fare on offer to listeners to radio drama over the past couple of weeks. Olwen Wymark is a gifted playwright who has made quite a name for herself out of London but her Saturday Night Theatre comedy *Vivien the Blockbuster* completely misfired with me. I couldn't have cared less about the people or the situation and the falsetto tone of much of it was irritating in spite of the presence in the cast of Barbara Leigh-Hunt, Harold Innocent and Peter Whitman as the blocked author.

On the other hand, Sunday's Afternoon Theatre production on Radio 4 UK, *The Mouse's Tail* by Gale Houston engaged me from the start and sustained my interest in the plight of the two main characters for the whole of its 75-minutes duration. The author's profession is that of psychotherapist — she presented the television documentary series *All in the Mind*—and she used here a counselling session between Mu (Alison Steadman), who wants to terminate her pregnancy, and the woman doctor (Sonia Fraser), who has to decide whether or not she shall have an abortion.

Apart from giving a somewhat misleading impression as to how the 1967 Abortion Act works—Mu would have needed two doctors to testify that her own or the child's physical or mental health would be endangered—this script had a thoroughly authentic ring to it.

You could almost smell the whiff of formaldehyde, in Liane Aukin's production, as Mu raced along the echoing corridors of healing to escape her confrontation with her counsellor and hence with herself. We flashed back intermittently to Mu's upbringing which was overshadowed by the death of her father (Leonard Fenton) and the bullying of her horrible gran (Margot Boyd). The blinding of her cousin Philip (Paul Chapman) in an accident with a chemistry set, for which she was held responsible, left Mu with a sizeable backlog of guilt to be uncovered by the probing medical counsellor.

At this point Mu began do a little probing herself on her genteel interrogator. The doctor's mask of impersonality soon cracked to reveal that her problems were precisely the opposite of Mu's but just as pressing. This opened the possibility of a weird bargain to be struck between the two women which though improbable made a neat ending to a competent radio play.

I am prepared to believe that in its original Polish Leszek Prorok's play, *Freya, The Cold Goddess of Love* (Radio 3. March 2), did have some serious point to make about the reduction of people to objects of scientific experiment or at least some saving grace of indignation. If so whatever the point was seemed largely to have evaporated in the translation by Marcus Wheeler and adaptation for radio by Jacek Laskowski. What we got was another Third Reich drama about a Polish girl who falls in love with the young Nazi officer detailed to impregnate her. Their bid for freedom soon culminates in her being sent to a concentration camp while he is cashiered.

Much more revealing about the hazards of stepping out of line in a so-called free society like, say, Switzerland was the first programme in a new series *Reel Evidence* (Radio 4 UK, March 9), presented by Radio 4's intrepid Roger Cook. The whole world is Cook's terrain in this monthly series in which he investigates the fate of a number of public-spirited individuals who have violated the code of company loyalty. These men and women spoke out when they felt that their own employers were guilty of malpractices. On Sunday we heard all about *The "Spy" who Caught a Cold*, namely Stanley Adams, the Maltest-born employee of the giant Swiss drugs company Hoffman-La Roche, who reported them to the Common Market's anti-trust squad. Not surprisingly Mr. Adams found he was persona non grata when he returned to Switzerland.

A spell in gaol followed; his wife who had been active in his defence took her own life, and after that misfortunes came in battalions for Mr. Adams. The programme, produced by Ritchie Cogan and researched by Sharon Banoff, traced Mr. Adam's reward for his courage through recorded interviews with the main participants and quotation for the relevant documents. It left one feeling very sorry indeed for Mr. Adams.

In this new role Mr. Cook does not have the Raymond Chandlerish immediacy and zing he acquired in *Checkpoint* when ferreting out petty swindlers and con men. Even so it seems as if he will give us some equally compulsive listening.

Traditional/Modern design kite from Tsugaru in North-Eastern Japan

Japan style

BY WILLIAM PACKER

Japan sits in an ambiguous relation to the Western World, its culture evidently an uneasy compound of ancient ways and modern, with present economic necessity and opportunity embraced with such daunting enthusiasm: and, 40 years on, almost from the *Disaster*, the awkward differences and similarities are still far from resolved. It seems almost that the more things are the same, the more they are transformed. The Japanese are indeed an extraordinary people. their culture endlessly, inevitably fascinating.

"Japan Style," therefore, at the Victoria and Albert Museum, though not over-large and by no means comprehensive, is a significant and even important exhibition. What it gives us is a generous, arbitrary and stimulating selection of artefacts made in Japan since the War that may be characterised as distinctively Japanese: and in what this character consists resides the problem.

We face on the one hand the gleeful vulgarity of this plastic age, the pin-ball machines, the garishly unappetising imitation edibles, the cheap magazines and the children's masks of monsters and heroes; on the other we see robust and practical elegance of modern technology, that so naturally informs the cameras, wirelesses, calculators and magic clocks that we know so well. In between we find the exquisite design steeped in traditional practice, whether mass produced or from a single craftsman's hand, the ceramics for example, the modern variations upon traditional dress, and the splendid fabrics.

The single thread which draws all this together in the culture is the deep general respect which is instinctively paid to any object that is made, whether cheap or priceless, a respect that embraces the maker, and celebrates each object's inherent qualities. The Tea Ceremony would seem to be the living metaphor of such attitudes, suggesting, indeed insisting, as it does that the most commonplace of activities, the most modest of things, may be invested with a concentrated significance which makes each gesture, each moment, extraordinary. The Tea Ceremony and its impedimenta quite rightly occupies a central place in the exhibition, performances occurring at regular intervals (the show closes on July 20). The Tea House itself, with its utensils, will remain in the possession of the Museum through the generosity of the Japan Foundation, which helped to organise the exhibition, and the Urasenke Foundation, Kyoto.

Passing through New York

BY B. A. YOUNG

The few days I spent in New York en route for the Actors Theatre festival in Louisville were more notable for closings than openings. Roy Dotrice closed as President Lincoln, so did *Censored Scenes from King Kong*, which I enjoyed at the Open Space. So it was off-Broadway time.

Provincial time, even. My first evening was at the Long Beach Theatre at New Haven, for a good production of David Edgar's *Mary Barnes* with Eileen Atkins, which Frank Lipsius will review later. Two days after, there was a luncheon party at the State University at Purchase, roughly halfway to New Haven, where they announced a new summer festival, funded by Pepsico (who have a marvellous garden there full of modern sculptures). I would write more about Purchase's Summerfare '80 if I had a more detailed schedule, but there isn't one yet. Purchase, as it happened, was already front-page news that day when a school headmistress shot the doctor who invented the Scarsdale Diet, whatever that is.

The Brooklyn Academy of Music, where David Jones, late of the RSC, is in charge of dramatic activities, is regarded by New Yorkers as immensely distant, but is actually a short ride on the subway. I will write about their production of *A Winter's Tale* later.

At the Provincetown Playhouse in the Village, Pat Carroll gives a two-hour performance in the threefold name-part of *Gertrude Stein, Gertrude Stein, Gertrude Stein*. Miss Carroll has been a cabaret and a revue artist, and she is adept at keeping her audience amused while offering comparatively serious matter. Not that her able script (by Marty Martin, age 26, his first professional production) is all that serious. It rounds up the more important bits of Gertrude Stein's curious life—her family background, her association with Picasso and his friends, her friendship with Alice B. Toklas (supposed to be sleeping upstairs throughout the evening), her writing—and presents them in such a way that Miss Carroll can unashamedly use her cabaret experience when she wants it.

She introduces brief flashes of impersonation — Picasso, Apollinaire, Marie Laurencin—but only as her Gertrude Stein would impersonate them. Sitting in her long brown robe, her hair short and straight, a cigar always handy, making little brisk gestures with her plump hands, she is oddly like the late Patrick Wymark as a business tycoon, but (rightly) nothing like Picasso's portrait, which hangs in monochrome in Anne Gibson's set. The performance is a performance, not an impersonation; and a most enjoyable one.

Pat Carroll

Not far off, at the Wonder-Horse Theatre in East 4th Street, I saw a new young company, the Hit and Run Theatre Company, in Sam Shepard's *Suicide in B Flat*, directed by Ingrid Roberg. This is a characteristic Sam Shepard piece where a police investigation becomes involved with a small jazz combo. It is not the kind of play in which one event logically succeeds another, and nothing can be gained by recounting the order of the action. Two plainclothes men are supposed to be investigating a suicide, but the *corpus delicti* is on stage half the time, and there are a sinister clarinettist and a girl bass-player around who add mystery to the already mysterious situation.

In the course of the evening one of the dicks gets an arrow in his back, the other is shot, not fatally, in the heart. I enjoy Sam Shepard's brand of mystification, but this one left me adrift.

It's preceded by a short play by Tom Topor, *Answers*, which consists of a demonstration of the way in which relentless police interrogation can cause confusion in an innocent suspect. The police are the same players as in the Shepard play, Peter W. Henning and Joseph Mastrangelo. I rather liked them.

Record for card case

A gold and enamel card case, probably made in Switzerland around 1860, sold for £2,600 at Phillip's yesterday to Blenheim Galleries. It is believed to be a record auction price for a card case.

At Bonham's a collection of 20 Turkish and Bokhara hangings, brought in by a lady with no idea of their value, sold for £8,500. The top price was £3,200, four times estimate, paid for an early 19th century Turkish hanging.

Christie's in South Kensington disposed of 132 books published by the Golden Cockerel Press between 1921 and 1961, the collection of Ronald Phillips. They totalled £11,100 with a top price of £1,400 paid for "Troilus and Criseyde" by Chaucer.

ANTONY THORNCROFT

Ashkenazy

BY DAVID MURRAY

VLADIMIR ASHKENAZY both played the piano with the Philharmonia Orchestra on Thursday night and conducted them, as he does more and more often. For Mozart's Concerto in A, K.488, he played a topless piano with its keyboard at the front edge of the platform; the arrangement works well enough in the Festival Hall, allowing the orchestra at least good eye-contact with the conductor-pianist and not losing much of the sound of the solo instrument. Nothing in the performance made one wish that Ashkenazy's role had been divided between two people. The reading was exceptionally crisp and lively — the rondo was made into a gleeful race, in fact — and boasted rather more bright orchestral detail than the "Linz" Symphony had done. The pianist himself played with brilliance and much imagination; if his rapt *sotto voce* in the Adagio sounded anachronistic, it was highly effective.

That Adagio was in the event the only real slow movement of the evening, for the Poco adagio of the "Linz" Symphony and the Andante con molto of Beethoven's Fifth were both hustled vigorously along, like all the other movements. Such headlong drive suited the Mozart symphony tolerably well (Ashkanazy's convincingly brisk treatment of the Adagio introduction even made one wonder whether the more usual tempo is not portentous beyond Mozart's intention), and the Philharmonia was equal to the challenge. There was nevertheless less pointed shaping of the tunes than was needed, at Ashkanazy's speeds, to bring out the riches of the score: *going by at such a canter, much* of it could only just be glimpsed.

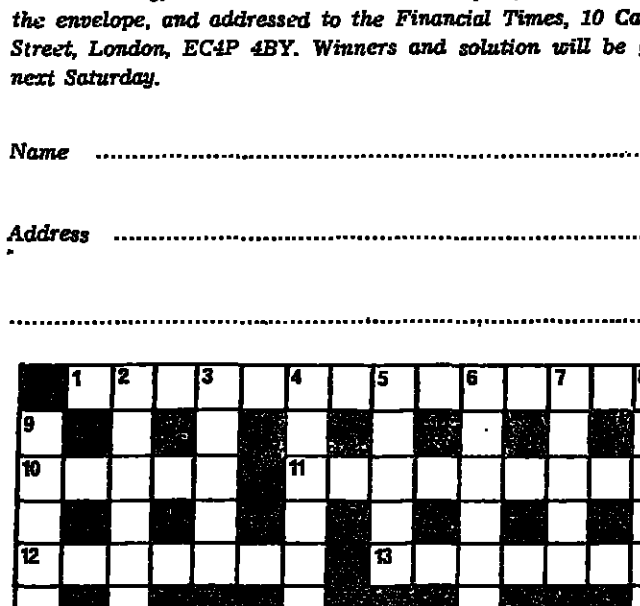
Beethoven's C minor Symphony, pressed harder still, made a striking and consistent impression. Of course it can bear a more majestic approach, and it may be admitted that the slow movement (as we generally think of it!) had its proportions reduced in Ashkanazy's muscular, very positive account; but the whole was triumphantly of a piece, and—for this familiar work—uncommonly exciting. The symphony does not often suggest so vividly a dangerous young man behind it, and that can hardly be wrong: one received a fair notion o fhow Beethoven's productions must have struck their first audiences.

F.T. CROSSWORD PUZZLE No. 4,226

A prize of £5 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....



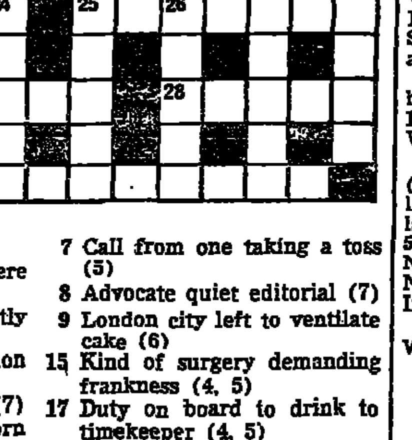
ACROSS

1 In disorder everywhere (3, 4, 3, 4)
10 Long for care of beastly doctor (5)
11 Enter physical education cost after deductions (9)
12 A right cooker to order (7)
13 Needs ironing when worn out (7)
14 Capital ought to suit ladies' man (5)
16 Drink beer second (9)
19 Study offer made by competitor (9)
20 Way to tear sports gear (5)
22 Confounded a graduate before take off (7)
25 Bemoan fool entering revelry (7)
27 Name a key worker gives to battle-axe (9)
28 Girl given ring to survive (5)
29 Have ding-dong effort to vary one's tactics (4, 3, 7)

DOWN

2 Irritable chap in stable employment (9)
3 A note may be made of meal (5)
4 Put forward in haste by chief on paper (9)
5 Pick me up a keynote (5)
6 Ten ingredients about common-sense given confidentially (5, 4)
7 Call from one taking a toss (5)
8 Advocate quiet editorial (7)
9 London city left to ventilate cake (6)
15 Kind of surgery demanding frankness (4, 5)
17 Duty on board to drink to timekeeper (4, 5)
18 Look away from twisting by a team (4, 5)
19 Clerical assembly brought partly to book (7)
21 Everybody gets in favourite bed (6)
23 Brief month spent getting to this stage (5)
24 Daughter leaves collector to sailor of old (5)
26 Sounds like John in Ireland getting cut (5)

Solution to Puzzle No. 4,225



Solution and winners of Puzzle No. 4,220

Mr. D. MacLachlan, Rosslynn, Currie, Midlothian.

Mr. B. S. Crowther, 154, Strines Road, Strines, Stockport, Cheshire.

Mr. W. C. Wilkes, 47, York Avenue, Wolverhampton.

TV/Radio

†Indicates programme in black and white

BBC 1

9.05 am Gymnast. 9.30 Multi-coloured Swap Shop. 12.27 pm Weather.

12.30 Grandstand: Football Focus (12.35); Basketball (1.05) Rotary Watches *National Championship* Finals; Racing from Chepstow (1.25, 1.50, 2.20); Squash (1.40, 2.10) Avis British Open Championship Final; Rugby Union (2.50) Scotland v. England and at 4.30 Ireland v. Wales. 4.40 Final Score.
5.10 The Pink Panther Show.
5.30 News.
5.40 Sport/Regional News.
5.45 Wonder Woman.
6.30 Jim'll Fix It.
7.05 All Creatures Great and Small.
7.55 The Little and Large Show.
8.30 Dallas.
9.20 News.
9.30 Match of the Day.
10.30 Michael Parkinson meets Ken Dodd.
†11.30 Phil Silvers as Sergeant Bilko.
11.55 Weatherman.

All Regions as BBC1 except as follows:

Wales—2.50-4.40 pm (Grandstand) Rugby Union: Ireland v. Wales and at 4.30 Scotland v. England (highlights). 5.40-5.45 Sports News Wales. 11.55 News and Weather for Wales.

Scotland—4.55-5.10 pm Scoreboard. 5.40-5.45 Scoreboard. 9.30-10.30 Sportscene. 11.55 News and Weather for Scotland.

Northern Ireland—2.50-4.40 pm (Grandstand) Rugby Union: Ireland v. Wales and at 4.30 Scotland v. England (highlights). 5.00-5.10 Scoreboard. *5.40-5.45* Northern Ireland News. 11.55 News and Weather for Northern Ireland.

England—5.40-5.45 pm (South West only) Spotlight Sport.

BBC 2

7.40 am-1.55 pm Open University.
†2.35 pm Saturday Cinema: "Boom Town" starring Clark Gable, Spencer Tracy and Claudette Colbert.
4.30 Chopsticks.
4.55 Horizon.
5.45 Mr. Smith's Rock Garden.
6.10 Open Door.
6.40 Free to Choose.
7.40 News and Sport.
8.00 Bruckner's Seventh Symphony played by the Chicago Symphony Orchestra, conducted by Sir Georg Solti.
9.30 Playhouse.
10.45 World Figure Skating Championships.
11.25 News on 2.
†11.30 Midnight Movie: "White Heat" starring James Cagney.

LONDON

8.40 am Sesame Street. 9.40 The Beachcombers. 10.05 Superman. 10.30 Tiswas.
12.30 pm World of Sport: 12.35 On The Ball; 1.00 International Sports Special (Part I) Swimming — USSR v. East Germany; 1.15 News; 1.20 The ITV Seven: 1.30, 2.00, 2.30 and 3.00 from Lingfield; 1.45, 2.15 and 2.45 from Newcastle; 3.10 International Sports Special (Part II) Darts — Elkadart Nations Cup; 3.50 Half-time Soccer Round-up; 4.00 Wrestling; 4.50 Results Service.
5.05 News.
5.15 Dick Turpin.
5.45 Mind Your Language.
6.15 Stars in Action: "Gunfight At The OK Corral" starring Burt Lancaster, Kirk Douglas and Rhonda Fleming.
8.30 Enemy at the Door.
9.30 News.
9.45 Tales of the Unexpected.
†10.15 Saturday Night Movie: "The L-Shaped Room" starring Leslie Caron and Tom Bell.
12.30 am Close: Personal Choice with Anna Ford.

All IBA Regions as London except at the following times:

ANGLIA

9.40 am Tarzan.. 5.45 pm Sale of the Century.. 6.15 Saturday Film: "Something for a Lonely Man." 8.00 Love Thy Neighbour. 10.15 Soap. 10.45 The Jazz Series—with Annie Ross and Pat Smythe and his Septet. 11.15 Pro-Celebrity Snooker. 12.00 At The End of the Day.

ATV

9.10 am A Better Read. 9.35 Catch '79. 10.00 Solo One. 5.15 pm Mork and Mindy. 5.45 Dick Turpin. 6.15 Saturday Cinema: "The Long Ships." starring Richard Widmark and Sidney Poitier. 10.15 The Late Night Movie: "Up The Junction," starring Dennis Waterman.

BORDER

9.10 am A Better Read. 9.35 Healthy Eating. 10.00 Friends of Man. 12.30 pm World of Sport introduced by Dickie Davies. 5.15 pm Mork and Mindy. 5.45 Dick Turpin. 6.15 Saturday Night at the Movies: "Satan Never Sleeps." starring William Holden and Clifton Webb. 10.15 Westside Medical. 11.15 Pro-Celebrity Darts.

CHANNEL

5.14 pm Puffin's Pla(i)ce. 5.18 Mork and Mindy. 5.45 Dick Turpin. 6.15 Saturday Action Adventure: "Monte Carlo Or Bust." 10.15 A Better Read. †10.45 Late Night Movie: "Station Six Sahara."

GRAMPIAN

9.30 am Sesame Street. 5.45 pm The Incredible Hulk, followed by Area Weather Forecast, Highland League and Shinty Results. 6.45 The Saturday Western: "Rio Conchos," starring Richard Boone. 10.15 Reflections. 10.20 Feature Film: "Someone I Touched." 11.40 Seachd Laithean. 11.55 The Odd Couple.

GRANADA

9.30 am A Better Read. 9.55 Larry The Lamb. 10.05 Fangface. 5.45 pm Chips. 6.45 Action and Adventure: Anthony Quayle and Sylvia Syms in "East of Sudan." 10.15 Barney Miller. 10.45 Saturday Premiere: "Age of Consent." 12.30 am Second City Revue.

HTV

9.10 am Numbers At Work. 9.40 Divorce and After. 10.05 Beachcombers. 5.15 pm Happy Days. 5.45 Dick Turpin. 6.15 Saturday Cinema: "The Long Ships," starring Richard Widmark. †10.15 The Late Film: "Suddenly Last Summer," starring Elizabeth Taylor.

HTV Cymru/Wales—As HTV West/HTV General Service except: 5.15-5.45 pm Sion A Sian.

SCOTTISH

9.10 am A Better Read. 9.35 Fantasy Island. 5.45 pm Chips. 6.45 How The West Was Won—"China Girl." 10.15 The Jazz Series—George Chisholm and his Gentlemen of Jazz with Carol Kidd. 10.45 Late Call. 10.50 Soap. 11.20 Luke's Kingdom.

SOUTHERN

8.45 am Talking Bikes. 9.10 Sesame Street. 10.02 Regional Weather Forecast. 10.05 Sam. 5.15 pm Happy Days. 5.45 Dick Turpin. 6.15 "Prescription Murder," starring Peter Falk. 8.00 Love Thy Neighbour. 10.15 Southern News. 10.20 "The Mind Benders," starring Dirk Bogarde.

TYNE TEES

9.00 am Saturday Shake-Up. 9.05 Space 1999. 9.55 Saturday Shake-Up. 10.05 Cartoon Time. 10.15 Saturday Shake-Up. 10.35 The Saturday Movie: "The Day The Earth Caught Fire." 12.20 pm Saturday Shake-Up. 5.15 Happy Days. 5.45 Dick Turpin. 10.15 Love Thy Neighbour. 10.45 The New Avengers. 11.45 England, Their England. 12.30 am Epilogue.

ULSTER

9.30 am A Better Read. 9.55 Larry The Lamb. 10.05 Fangface. 10.30 Chopper Squad. 11.30 Sesame Street. 5.00 pm Sports Results. 5.15 Happy Days. 5.45 Dick Turpin. 6.15 Feature Film: "Monte Carlo or Bust." 9.44 Ulster Weather. 10.15 The Saturday Night Film.

WESTWARD

9.20 am Look and See. 9.25 Sesame Street. 10.25 Gus Honeybun's Birthdays. 12.27 pm Westward News. 5.14 Westward News and Sports Results. 5.18 Mork and Mindy. 5.45 Dick Turpin. 6.15 Saturday Action Adventure: 'Monte Carlo or Bust." 10.15 Saturday Night in the West. †10.45 Late Night Movie: "Station Six Sahara," starring Carroll Baker. 12.30 am Faith for Life. 12.35 West Country Weather and Shipping Forecast.

YORKSHIRE

9.00 am Rocket Robin Hood. 9.15 Beachcombers. 9.40 Space 1999. 5.15 pm Happy Days. 5.45 Dick Turpin. 6.15 Saturday Action Adventure: "Monte Carlo or Bust." 10.15 The Saturday Night Film: "The Best House in London." 12.00 Barney Miller.

RADIO 1

(S) Stereophonic broadcast
‡ Medium wave

5.00 am As Radio 2. 7.00 News. 7.03 Playground. 8.00 Tony Blackburn with Junior Choice. 10.00 Peter Powell. 10.00 pm Adrian Juste (S). 2.00 Paul Gambaccini (S). 4.00 Rock On Saturday (S). 7.30 Steve Wright. 10.00 Al Matthews. 12.00-6.00 am As Radio 2.

RADIO 2

5.00 am News Summary. 5.02 Tom Edwards (S). 8.06 David Jacobs with Star Sounds (S). 10.02 Pete Murray Saturday Show (S). 1.02 pm The News Huddlines. 1.30-6.00 Sport On 2: Rugby Special (1.30, 2.10, 2.40, 3.00, 3.50, 4.50, 5.30) England v Scotland also Ireland v Wales; League Cup Final (1.30, 1.50, 2.25, 2.50, 3.40, 4.25, 4.42) Nottingham Forest v Wolves plus results on other matches and at 5.00. 5.45 classified scores: Boxing (1.30, 2.00, 5.35): Sports Report (5.00). 6.03 European Pop Jury. 7.02 Beat The Record. 7.30 Big Band Special (S). 8.02 Saturday Night is Gala Night (S). 10.02 Sentimental Journey (S). 11.02 Sports Desk. 11.10 Bob Kilbey with The Late Show (S) including 12.00 News. 3.02-6.00 You and the Night and the Music (S).

RADIO 3

‡7.55 am Weather. 8.00 News. 8.05 BBC Welsh Symphony Orchestra (S). 9.00 News. 9.05 Record Review (S). 10.15 Stereo Release (S). 11.00 Robert Mayer Concert (S). 12.15 pm Bandstand (S). 1.00 News. 1.05 Chopin Prelude (S). 2.00 Play It Again (S). 5.00 Jazz on Show (S). 5.45 Critics' Forum. 6.35 Mozart and Prokofiev: Chamber music concert, part 1 (S). 7.30 Where Law and Order Start (talk by R. A. Hodgkin). 7.50 Concert, part 2: Mozart (S). 8.30 Reflections on Iran (talk by Ian Grimble). 9.00 Iberian Requiem: Sequence based on a Mass *for the Dead by Lobo (S).* 10.00 Concert from Lancaster, part 1: Tippett, Beethoven (S). 11.05 Interval Reading. 11.15 Concert, part 2: Prokofiev. 11.55-12.00 News.

VHF Only—6.00-8.00 am Open University.

RADIO 4

6.25 am Shipping forecast. 6.30 News. 6.32 Farming Today. 6.50 Yours Faithfully. 6.55 Weather; programme news. 7.00 News. 7.10 On Your Farm. 7.40 Today's Papers. 7.45 Yours Faithfully. 7.50 It's A Bargain. 7.55 Weather; programme news. 8.00 News. 8.10 Sport On 4. 8.45 Today's Papers. 8.50 Yesterday in Parliament. 9.00 News. 9.05 Breakaway on Booze. 9.50 News Stand. 10.05 The Week in Westminster. 10.30 Daily Service. 10.45 Pick of the Week. 11.35 International Assignment. 12.00 News. 12.02 pm Money Box. 12.27 The News Quiz (S). 12.55 Weather; programme *news.* 1.00 News. *1.10 Any Questions?* 1.55 Shipping forecast. 2.00 News. 2.05 Wildlife. 2.30 Saturday-Afternoon Theatre. 3.30 Does He Take Sugar? 4.00 News. 4.02 Chapter and Verse. 4.30 Time for Verse. 4.40 Choirs of Wales. 5.25 Week Ending. 5.50 Shipping forecast. 5.55 Weather; programme news. 6.00 News. 6.15 Desert Island Discs. 6.55 Stop the Week with Robert Robinson. 7.35 Baker's Dozen (S). 8.30 Saturday-Night Theatre: "The Spoils of Poynton," by Henry James (S). 9.58 *Weather. 10.00 News. 10.15 Kaleido*scope. 11.00 Lighten Our Darkness. 11.15 Miles of London (S). 11.45 Signing On. 12.00 News.

TV RATINGS w/e March 9

UK TOP TWENTY (viewers m)

1	Jim'll Fix It	(BBC)	18.55
2	All Creatures Great And Small	(BBC)	18.30
3	Benny Hill Show	(Thames)	18.05
4	This Is Your Life	(Thames)	17.20
5	Coronation St. (Wed.)	(Gran.)	16.95
6	The Little And Large Show	(BBC)	16.65
7	Coronation St. (Mon.)	(Gran.)	16.00
7	Dallas	(BBC)	16.00
9	Crossroads (Wed.)	(ATV)	15.15
10	Crossroads (Thur.)	(ATV)	15.05
11	Life Begins At Forty	(Yorks)	14.65
12	Play Your Cards Right	(LWT)	14.45
13	Crossroads (Tues.)	(ATV)	14.35
13	Wonder Woman	(BBC)	14.35
15	Crossroads (Mon.)	(ATV)	13.95
16	The Jim Davidson Show	(Thames)	13.60
17	Hart To Hart	(ITV)	13.20
18	The Kenny Everett Video Show	(Thames)	13.00
19	Leave It To Charlie	(Gran.)	12.85
20	Sweet Nothings (Thur.)	(BBC)	12.55
20	Emmerdale Farm (Tues.)	(Yorks.)	12.55

Figures prepared by Audits of Great Britain for the Joint Industry Committee for Television Advertising Research (JICTAR).

CHESS SOLUTIONS

Solution to Position No. 311

1 BxP ch, K-B1; 2 B-R2, Resigns. If PxQ; 3 B-N7ch, K-B1; 4 B-B7 mate.

Solution to Problem No. 311

1 P-B6? fails to BxQ 1 B-B1? to BxB, 1 Q-K8? to the hidden resource R-N2; 2 B-N5, B-QR2! So 1 B-N5! (threat Q-K8-K1), BxQ; 2 B-B1! or 1 . . . BxB; 2 P-B6.

Entertainment Guide

OPERA & BALLET

COLISEUM. Credit cards 240 5258. Reservations 836 3161. Evgs. 7.30. Mat Sats. 2.30. [illegible]

[illegible]

THEATRES

LYRIC HAMMERSMITH. 01-741 2311. West End Box Office 836 4207. [illegible]

[illegible]

Entertainments Guide, cont. Page 15

COLLECTING

Homes, sweet homes

From the collection of 30 architectural drawings of houses of artistic style and comfort, by A.W., dated between 1869 and 1881, in Phillips' sale at Blenstock House, Blenheim Street, London W1, on Monday.

DRAWINGS, watercolours, engravings and lithographs, even oils, of architectural interest are a relatively unexplored field, and until recently a somewhat esoteric collecting category, of interest mainly to scholars.

Now as well as this specialist market, there is a broader band of collectors around. "With the growing realisation of the importance of architectural documentation, views and interiors of period country houses, castles, abbeys, and churches are becoming popular in the saleroom," argues Lowell Libson, Phillips' watercolour and drawing specialist.

Monday's watercolour sale at Phillips, Blenstock House, 7 Blenheim Street, London, W1, includes a fascinating collection of 30 architectural drawings of designs for "houses of artistic style, comfort and beauty," done by an unidentified "A.W.," possibly used as teaching aids between 1869 and 1881; there is also a pencil, pen, ink and watercolour by Humphrey Repton of Salte's house, Tottenham. (Humphrey Repton (1752-1818), the architect of Red Book fame so called because he was in the habit of presenting his more important clients with an elaborately illustrated report bound in red morocco, altered Tottenham Corridor House in 1807).

Both these lots are estimated in the £400-£600 group, which means many architectural drawings are still in an affordable category. Naturally, Old Master architectural paintings such as those by Canaletto or Piranesi, generally bought for the name rather than the buildings, command considerably higher figures.

Architectural drawings are particularly vital to conservationists preserving properties who want to restore original details after demolition or alteration over the years. There is considerable aesthetic attraction as well; many drawings have an unexpected appeal with their detailed delineation of doors and windows, cornices, columns and copings, gateways and arches.

For instance "The Dr. Richard P. Wunder Collection of Fine Ornament and Other Master Drawings" sold at Christie's in July 1976, was an intriguing assortment of palaces and chateaux, chimneypiece and wainscote panels, illusionistic wall and ceiling paintings, proscenium arches, arcaded fantasies and so on.

In Dr. Wunder's case of course it was possible to obtain a number of sheets from the great architectural collection assembled in the last century by Giovanni Piancastelli, and to secure the Bisi-Gibelli album which was presented by the Milanese artist Luigi Bisi (1814-1906), to his pupil Guiseppe Gibelli in 1884, and sold after the latter's death in the United States in 1963.

The Royal Institute of British Architects has the largest and one of the most important collections of architectural drawings in the world, under the direction of distinguished historian Mr. John Harris. Begun when the institute was founded in London in 1834, there are now something like a quarter of a million drawings, mostly British, ranging from one of a 15th century turreted tower to the hundreds of drawings for the Foster Associates building at Ipswich.

The British Architectural Library Guide Sheet 4, obtainable from the RIBA, 77 Portland Place, London, W1, describes how during the early years members presented their drawings for use as exemplars. Many of these were measured drawings and sketches of both Classical and Gothic buildings that furnished design precedents for those articled pupils unable to afford the expense of travelling to the original buildings. By 1872 drawings were collected so as to form a record of an architect's work, and in this way the comprehensive collections of drawings by, for example, J. B. Papworth, William Burges, Sir Edwin Lutyens, C. F. A. Voysey and the architectural families of the Wyatts, Pugins and Scotts were formed.

The catalogue, in 17 volumes, can be seen at the library, the actual collection by written appointment only. For details of how to buy the catalogue (it costs £25 to £30 each volume), write to Mr. Jim Denning, director Avebury Publishing Company, who produce the books under the imprint Gregg International at Olympic House, 63 Woodside Road, Amersham, Bucks.

The Architectural History Foundation in America is a non-profit association recently formed to serve the fast-growing needs of laymen as well as students and teachers devoted to the study of architecture and related design. Their first publication is a magnificent facsimile of the original 16th-century manuscript of Sebastiano Serlio's treatise *On Domestic Architecture*, £49, and *Space into Light, the Churches of Balthasar Neumann* by Christian F. Otto, £21.70, the first monograph in English on the man who was, according to Lord Clark, "the greatest architect of the 18th century." In Britain the books are distributed by MIT Press, 126 Buckingham Palace Road, London SW6 (01-730 9208).

Museums and missed hits

BY JEREMY COOPER

HANDICAPPED THOUGH they are by complex grants systems and general under-funding British museums can only blame themselves for having failed to adjust with sufficient energy and imagination to what is likely to be a permanent situation of missed opportunities in the purchasing of art works.

The purchasing policies of most museums with which I am familiar reveal three fundamental errors, the National Portrait Gallery in London being one of the notable exceptions. First they tend to concentrate on "major" acquisitions in the fashionably acceptable fields of art history which are often unjustifiably expensive due to their kudos-laden attraction to millionaire collectors.

Second, not enough effort is made by the museums to add to their coffers by persuading local firms and individuals to give donations towards the purchase of works of art of particular local relevance. Third, the extraordinarily laborious and time-consuming processes of selecting, approving and finally paying for museum purchases means that it makes commercial sense for dealers to do business with museums only if the selling price is substantially higher than to any other buyer.

The fact that public institutions frequently miss opportunities of advantageous purchases which are eagerly appreciated by private collectors is clearly exemplified by two current transactions.

While the Manchester City Art Gallery has been concerning itself with the possible purchase for £200,000 of a publicly unappealing marble bust of a sixteenth century Italian merchant by the Bolognese sculptor Algardi, it has failed to respond to the approach on behalf of two private clients concerning a magnificent Morris tapestry designed by Burne-Jones and an important satinwood cabinet designed by H. W. Batley and made by the Manchester firm of Henry Ogden.

The owners of these two fully documented pieces, both of museum quality and rarity, avoided putting them in auction where they might have secured higher prices but were in danger of being bought by a foreign museum (the Louvre has been actively buying in this field recently) and instead requested that they were offered directly to an appropriate English institution at the generous prices of, respectively, £10,000 and £6,500.

Manchester City Art Gallery rightly expressed considerable interest at the outset but in the end decided that it was unable to find the relatively small sums involved, and returned to its high-priced Algardi ruminations. If this kind of thing happens at Manchester whose director, Timothy Clifford, is known to be unusually courageous, imaginative and ambitious for his museum, one dare not think of the missed oportunities and mistakes elsewhere in the country.

Privately run collections seldom suffer this way, and now the Burne-Jones tapestry has been acquired by Arthur and Helon Grogan for Standen, the important Philip Webb house near East Grinstead which has been preserved and improved as a museum for the work of William Morris and his associates through an extraordinary commitment of time and money by the Grogans. A brief history of their involvement with Standen will illustrate how preservation of national architectural and artistic importance can still be achieved by the private enterprise of people with ordinary incomes and no family inheritance to boost their bank balances, providing these people also have the taste and courage to buy works of art that do not yet have the fashionable stamp of popular approval.

A rare Merton Abbey tapestry panel designed by Edward Burne-Jones for William Morris which the Manchester City Art Gallery was unable to buy for £10,000 due to its commitment to the £20,000 Algardi marble. The tapestry has this weekend been acquired by private donation for Standen.

Shortly before her death in 1970, Helen Beale decided that the National Trust should be bequeathed Standen, the West Sussex house built by Philip Webb for her father in 1894. Arthur Grogan, who works for the Historic Buildings Council, heard that the National Trust was in difficulty over this bequest and visited Standen for the first time in 1972.

There was, then, almost no money available, so Helen Grogan, who is a practising architect, and John Brandon-Jones, the Philip Webb enthusiast, devised a scheme for converting one wing of the house into four flats to help finance the preservation of the whole. As this did not provide sufficient funds, the Grogans decided to invest all they had in Standen; they sold their own house in Richmond and gave all the proceeds to the National Trust for Standen in return for a lifetime tenancy, moved in, and proceeded, largely with their own money, to refurnish the house.

The various ways in which the Grogans found some of Standen's treasures may provide inspiration to curators of the nationally endowed collections. In a sale in Bonham's on September 9, 1965 Arthur Grogan bought a pair of Albert Moore oils for £50; one of these is now at Standen but he could not afford to keep them both and sold the second one immediately after the auction to a friend for £25. Both pictures are now acknowledged to be fine examples of an important artist's work worthy of representation in any major museum collection. Twenty years ago he bought a Tang pottery figure for £20 and on moving in to Standen in 1973 he had the opportunity of buying a magnificent William Morris carpet for the drawing room for £2,500. The sale of the twenty pound Tang figure raised exactly the sum required.

There are nonetheless the continuous anxieties of staffing and running a house and garden of this size receiving over thirteen thousand visitors a year during the three afternoons a week it is open to the public from April till the end of October.

All the same, in Standen the Grogans have achieved something of which they and the National Trust should be justly proud.

Still cheap

COINS

JAMES MACKAY

TWO YEARS have elapsed since Seaby's published the 16th edition of their *Coins of England* catalogue. Now the 17th edition has appeared, at £6.50—a modest 50p dearer than 1978 which in real terms, of course, means better value for money.

One has come to look forward to the trenchant comments of Peter Seaby in his "view and review" which prefaces the catalogue. On previous occasions he has held forth at some length on the poor quality of modern British coin design. Nothing has changed in the intervening two years, but Mr. Seaby has confined his remarks to the hope that the Treasury's stated policy of keeping new designs "under review" will not be too long in arriving at a positive change, other than the mere dropping of the adjective "new" which can hardly apply to coins that have been in circulation for a decade and more.

He makes the interesting comment that, although some older collectors may feel that in this age of inflation coin prices have leapt to unreasonable heights, they are still one of the cheapest forms of collectable antiques.

A silver penny of Edward I around 1300 would have been the daily wage of an agricultural worker. The catalogue prices an average penny of that period at £5, considerably less than the daily wage today, indicating that its value has not risen higher than wage inflation.

I would consider, however, that any older collector who complains about unreasonable price increases must have chosen the wrong field. A comparison of the prices quoted in the 1980 edition and those in the 1978 edition shows that coins in general are just keeping pace with inflation.

In quite a few areas there has been little or no change in the prices quoted so that, in real terms, these coins are actually worth less today than they were two years ago, while others have risen a mere 5-10 per cent over that period. Viewed purely from the investment angle, therefore, these coins have performed rather poorly

Fortunately, growth potential is hardly a matter of interest to the genuine collector. In general, the choice coins have moved upwards very substantially while the lesser quality items have made more modest gains or even none at all.

Another trend which is now more discernible is for the relatively common coins in superlative condition to be more eagerly snapped up than the rarer minor varieties, especially if the latter are in less than the finest condition.

These trends merely reinforce what one had suspected: that investment money has concentrated on straightforward material, so long as the condition is the very best, while the genuine numismatists still have the more esoteric areas all to themselves.

In the earliest Celtic coinage, for example, there is little or no change in the prices quoted for the majority of issues. Here and there, however, one may detect changing fashions. Thus Belgic uninscribed silver has risen 10-30 per cent, whereas the gold coins of Commius and Caratacus have jumped 50 per cent.

Celtic coins from the Midlands are up 20-30 per cent, perhaps reflecting increased local interest. Continuing research into the coins of the early Christian era has occasional repercussions on values. Thus the rare but obscure coins hitherto believed to have been struck in the name of one Subbipasto have now been proved to have been issued by the sub-king Prasutagus of the Iceni. He was the husband of Boadicea and this has been sufficient to raise the value of these coins from £400 to £1,500.

Little change is evident in many of the earlier Anglo-Saxon issues, though some coins of Offa and his consort Cynethryth have almost doubled. Renewed interest in all things Viking is reflected in the substantial increases in the coins from the Norse mint at York and the issues under King Cnut, some rising by 80-100 per cent.

Later Anglo-Saxon issues, especially those of Edward the Confessor, are up 50 per cent, while the coins of William the Conqueror have increased significantly. Medieval gold coins have risen only slightly, or not at all, whereas the corresponding silver issues are all up 60-100 per cent.

The most interesting increases are in the silver pennies of the numerous provincial mints, reflecting the growing tendency for collectors to concentrate on the coins (and other collectables) produced in their own town or district.

From the 14th century onwards the biggest increases in the silver coins apply to the larger denominations. The popularity of crowns and halfcrowns is old-established, but now increasing attention is being focussed on shillings.

In the Elizabeth and Jacobean coinage gold has increased steadily, but the most spectacular increases are in the silver series. The gold coinage of the Civil War period appears sluggish at the moment, but the silver coins have shown substantial increases, especially those from the smaller provincial mints.

The hammered coins of Charles II show little rise in the gold, a modest increase in the small silver and a 30-40 per cent increase in the large silver. Conversely the milled coins from 1662 onwards indicate that the keenest interest now lies in the gold pieces, with silver trailing some way behind.

The gold and silver of James II are both well up, but the most impressive increases lie in the tin subsidiary coins. There have also been steady increases in the Hanoverian coins.

After 1837, however, bullion rather than numismatic factors apply and until the prices of gold and silver are stabilised this is an area which most collectors are treating with the utmost caution.

SNOW REPORTS

EUROPE

Wengen (Sw.)	60-165 cm	New snow on good base
Andermatt (Sw.)	60-245 cm	Good powder on north slopes
Muerren (Sw.)	80-200 cm	Higher slopes excellent
Serre-Chevalier (Fr.)	30-150 cm	Some areas powder piste
Val d'Isere (Fr.)	230-340 cm	Good skiing everywhere
Flaine (Fr.)	135-625 cm	Heavy fall new snow
Courmayeur (It.)	160-490 cm	New snow
Sauze d'Oulx (It.)	20- 90 cm	New snow on firm base
Wildschoenau (Aus.)	50-160 cm	Good skiing on all slopes

European reports from Ski Club of Great Britain representatives.

THE U.S.

Sugarbush (Vt.)	15- 48 ins	Machine made packed powder
Stowe (Vt.)	12- 35 ins	Packed powder. 27 runs open
Hunter (NY)	12- 68 ins	Granular. Snow forecast
Park City (Utah)	98-111 ins	Packed powder. All runs open
Aspen (Col.)	42- 97 ins	Packed powder. All runs open
Squaw Valley (Calif.)	36-174 ins	Packed powder. High winds

SCOTLAND

Figures indicate basic snow depths at top and bottom stations.

Cairngorms:	Main runs complete. Surface icy
Glenshee:	Main runs most complete. Hard packed snow
Glencoe:	All runs complete. New snow on firm base
Lecht:	Main runs most complete. Spring snow

FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY

Telegrams: Finantimo, London PS4. Telex: 8954871, 883897

Telephone: 01-248 8000

Saturday March 15 1980

The pressures mount

EVEN BEFORE President Carter's anti-inflationary package was announced last night there were tentative signs this week that the American monetary squeeze was beginning to work. Admittedly, the recent strength of the dollar and the precipitous falls in gold and metal prices may turn out to be another of the false dawns which have been typical of the past few years of financial turmoil. In large measure this depends on how the Carter measures are assessed over the coming weeks by the investment managers who are responsible for the [illegible] or so of footloose oil surpluses which will be swilling in and out of the world's financial markets this year.

Prime rates

But with American prime rates now up to 18½ per cent, some investors are at last beginning to sense that the long upward slog in interest rates may soon be over. Even if the peak has not yet been reached, the ridge ahead may be the last one. What lies over the ridge is another matter. It could be a long plateau of high interest rates, with the eventual descent only just visible on the horizon.

Even when the upward pressures on American interest rates subside, there will be little prospect of a significant decline until both inflation and output start responding. And America's inflationary problems are too deeply rooted to admit of a short, sharp cure—a point which is implicit in President Carter's measures.

With wholesale prices in most industrial countries now rising at an annual rate of nearly 20 per cent, there can be little hope of lower interest rates until inflation is clearly seen to be subsiding. The collapse of metal prices this week, with silver, for example, now down to 57 per cent of its recent record level, is encouraging in this connection. The remarkable uniformity of the wholesale price figures throughout the industrialised world confirms that commodity price inflation has been the major transmission mechanism of the recent inflation. But the falls in metal prices that have occurred so far have merely been corrections, after the speculative upsurge which began in December. It is still too early to conclude that the slow-down in world economic growth, which would bring longer-term relief, has yet begun.

Gilts market

Only in Britain are the signs of recession now unmistakable. It is therefore not surprising that the gilt-edged market has been alone among the world's bond markets in shrugging off the monetary commotion in America. Gilt-edged prices have scarcely moved for over a month, while international interest rates have risen towards, and in some cases beyond, British levels. The underlying feeling of British investors seems to be that interest rates are likely to fall, perhaps quite steeply, over the coming year, as the fiscal benefits of North Sea oil build up, while the recession moves into a more mature phase. As stocks begin to decline, instead of rising, as they are at the moment, the corporate sector's forced borrowing will fall off.

There are still nagging doubts, however, about the Government's determination to stick to the stern deflationary policies on which his favourable outlook for interest rates depends. If the Government followed the advice in this week's Morgan Grenfell review, and used the whole of its oil revenues to reduce, and ultimately eliminate, the Public Sector Borrowing Requirement, there would almost certainly be big capital gains for investors in gilts. But there will be no shortage of economists and politicians who will suggest, increasingly loudly as the recession develops, that taxes, rather than the PSBR, should be cut.

Certainly the week's political events have illustrated the difficulties which the Government will continue to face in sticking to really stringent fiscal and monetary policies. The swing against the Conservatives in the Southend by-election was one of the biggest since the Second World War—and it should be remembered that the recession is only just beginning. The Government's defeat in the Lords on the issue of school bus charges, coming on top of the earlier defeat over the BBC external services and the possible stalemate in the legislative progress of the Local Government Bill, is an indication of the strength of opposition to public service reductions. Worst of all in political terms is the increasing beligerence of the French government over the EEC budget, which raises a question mark over the Government's ability to control Britain's contributions to the Community.

Public spending

All these developments suggest that the Government may face increasing pressure, not just to placate voters with speedy tax cuts, but also, perhaps, to relax its grip on public spending. As the Government's financial position is seen to improve, these pressures are bound to grow stronger. What investors will be looking for in the forthcoming Budget will be an indication not just of the Government's short-term borrowing needs, but of the eventual balance it intends to strike between taxation, public spending and borrowing. This balance will determine the outlook not just for British interest rates, but for the whole of the British economy.

THE HONEY POT IN THE NORTH SEA

What oil wants from government

OIL MEN who had expected that, after Mr. Anthony Wedgwood Benn, Labour's last Energy Secretary, a Conservative administration would make life much easier for them in the North Sea, have been forced to think again.

It is true that Mr. David Howell, Energy Secretary, has lopped off some of the more irritating special privileges of British National Oil Corporation (irritating not only to the rest of the industry but also to BNOC in some cases). He has also spoken of giving a new impetus to exploration activity. The industry appears to have responded to this signal, for at the end of February at least 12 exploration wells were being drilled in UK waters—25 per cent more than at the same time last year.

However, the Government has yet to come up with detailed North Sea policies, for instance: the conditions of the next, seventh, round of licences (now being discussed with industry representatives); the reorganisation of BNOC; the incentives to be provided to industry to develop small, economically-marginal fields (rising oil prices keep changing the definition of marginal fields); a possible new, tougher tax regime; and new depletion measures to regulate the rate of oil production in the few years of peak output.

Although oil men work in the world's biggest risk business, they hate political uncertainty. So it is not surprising that they have begun to complain about delays in policy-making.

By all accounts they are none too happy about some of the ideas that have been emerging from various Whitehall departments:

- Oil companies wanted a much bigger seventh round of licences than the 70 or so blocks that are to be put on offer shortly. They claim that exploration activity needs a greater stimulus if it is to find the new reserves needed to maintain oil self-sufficiency in the 1990s.
- The bigger, integrated oil companies want to keep as much as possible of the oil they find for their own refinery operations. They have become increasingly concerned about the way that their traditional supply sources in member countries of the Organisation of Petroleum Exporting Countries have declined in the past 12 months. However, Mr. Howell has indicated that, for security reasons, the Government would want to retain the option for the state to buy up to 51 per cent of all UK oil produced.
- On depletion, companies have been told by Mr. Howell that he wants to flatten the hump in Britain's oil production profile, to maintain self-sufficiency for as long as possible. However, he has not spelled out how severe the depletion policy will be. Companies say this makes it difficult to plan new projects.
- Taxation is an obvious source of vexation in the industry. Offshore operators were surprised when the new Conservative Government adopted Labour's plans for raising the basic rate of Petroleum Revenue Tax from 45 per cent of profits to 60 per cent. Offsetting allowances were also changed. But the industry's protests were muted by the big increases in oil prices that started in the first half of last year, and it is not surprising that the Chancellor is again looking at his North Sea honey pot for extra revenues. The net profits just reported by two of the North Sea's biggest producers, Shell (£3bn) and British Petroleum (£1.6bn) seem to make this more likely.

Already some companies are paying over 80 per cent of their North Sea profits (gross revenue less costs) into Government coffers. For instance, it is estimated that in the Forties Field BP will pay some 81-83 per cent tax: the company has warned of the dangers of "killing the goose that lays the golden eggs."

According to stockbrokers Wood, Mackenzie the tax-take on a fairly typical North Sea field (one with 600m barrels of recoverable reserves costing around $2.5bn to develop) would be 77.5 per cent.

With North Sea oil prices now around $33 a barrel and with production levels over 1.6m barrels a day — rising to over 2m b/d in the next year or so — it is hardly surprising that in money-of-the-day terms UK oil revenues are soaring to undreamt-of levels. According to industry calculations Government revenues, even with no tax changes, could total a staggering £46.4bn over the six years 1979-1984. By 1984 the tax take — from royalties, PRT and Corporation Tax — could be about £14.7bn a year. Just six months ago, when oil prices were around $25 a barrel, 1984 Government revenue was expected to be £9bn to £10bn. Such is the impact of rising prices.

It may not be long before analysts have to sit down and recalculate revenue levels all over again. As the table below shows the revenue will be influenced by four fundamental factors: the Government's taxation policies; the price of oil; the value of sterling; and the level of crude oil production. All four are uncertain.

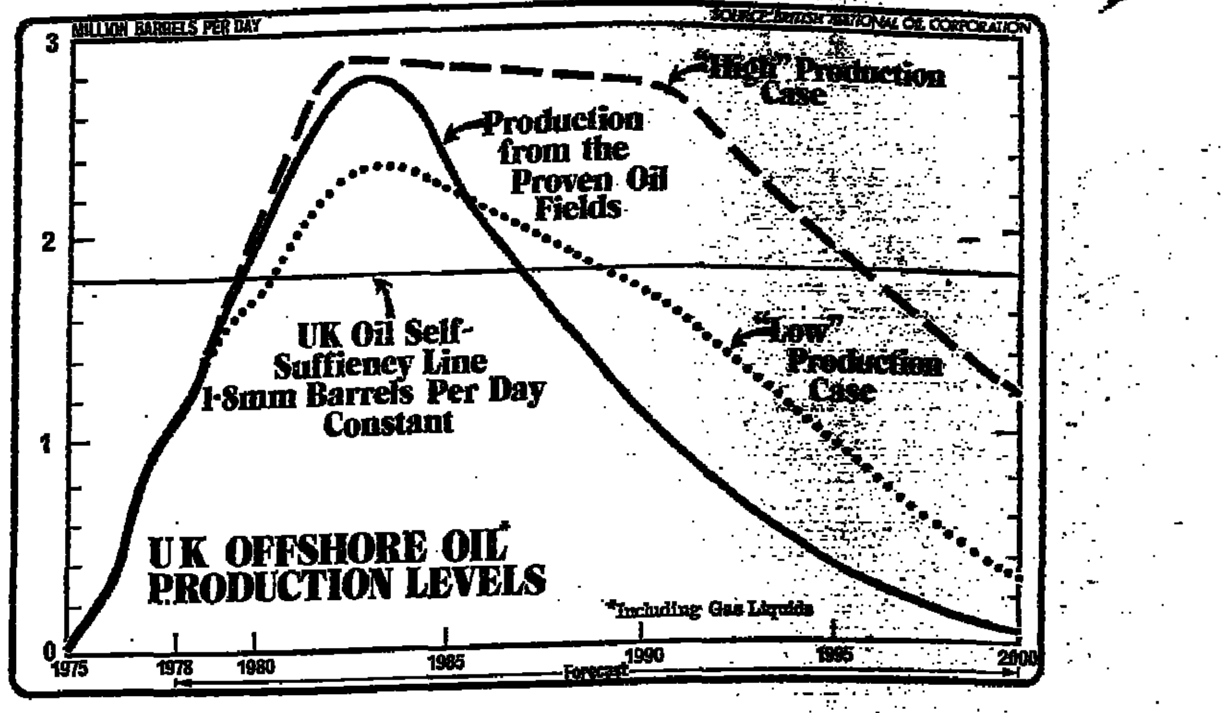
The taxation policies should be clarified in the Budget on March 26. Prices will continue to be influenced by OPEC whose members seem happy to trim output to maintain a tight supply and demand balance.

The strength of the pound and the rate of depletion are linked: the higher the production level, the stronger the pound. This provides a clue to some of the delays in policy-making. North Sea oil influences so many decisions taken in all the key Government departments. The Foreign Office is concerned about the attitude of other governments to Britain's oil policies: is Britain, for example, doing enough in terms of production capacity to help stabilise world oil supplies? The Treasury has its obvious pecuniary interest. And the Energy Department has the task of weaving policies to provide the country with secure supplies of indigenous fuel for as long as possible.

Britain could increase output to almost 3m b/d in the mid-1980s, but this level could not be sustained for more than a couple of years. At the other extreme a production rate of between 1.8m and 2m b/d—roughly the country's oil self-sufficiency level—could be sustained until at least the turn of the century, given an increase in exploration activity.

The choice has to be made. The oil industry will have to be patient for a little longer while the Government pulls together the strands of its foreign, economic and energy policies.

Ray Dafter



What government wants from oil

NOTHING illustrates the ingrained pessimism of large sections of the British establishment better than the widespread desire to treat North Sea oil as more of a burden than a benefit. Indeed, normally imperturbable senior Treasury officials have been driven to anger by reports in France and West Germany that rising oil production and increasing oil prices somehow enable the UK to finance its contribution to the EEC Budget without difficulty.

Britain has a fair point to the extent that the budgetary issue is completely separate from the existence of North Sea oil—which should itself be seen in perspective. As a net oil importer the UK is still a net loser from higher prices. The Treasury has also pointed out that last year "North Sea oil output represented only 2 per cent of UK Gross National Product, or less than the growth of West Germany and two-thirds the growth of the French economy in that single year." Even in the mid-1980s oil output is likely to add less than 5 per cent to GNP. Moreover, Britain's GNP per head including North Sea oil will still be seventh out of nine in the EEC rankings.

All this is true but it is only part of the story. Of course, the UK is much better off with North Sea oil than without it. Last year North Sea oil had an identifiable positive impact on the current account of the balance of payments of nearly £4bn, which is likely to double this year. This does not fully show what would have happened in the absence of oil.

North Sea oil is one of the main reasons for the strength of the pound. This in turn has boosted real disposable incomes and sustained consumer spending at a higher level than otherwise. The strength of sterling has also undermined the competitive position of British goods both at home and abroad.

But the most significant impact over the next few years will be on the Government's finances. Tax payments are only starting to build-up now, some time after the rise in oil production. This is so because the costs of exploration and development are allowable against Corporation and Petroleum Revenue Taxes. But even in the current financial year the Government should receive around £2bn—which is equivalent to 4p off the basic rate of Income Tax. The accompanying table shows that the total revenue is now due to rise sharply, even on the possibly conservative assumption of a 10 per cent annual rise in the money price of crude oil.

All the projections of future Government revenue are highly sensitive to the assumptions not only about production and the crude oil price but also about the sterling-dollar exchange rate. Nevertheless a comparison of the figures in this table and the estimates of leading commentators such as the London Business School and the National Institute shows there is broad agreement that total revenue is likely to rise to between £9¼bn and £10bn in 1982.

Even if the price of oil is lower than generally assumed there is still likely to be a spectacular rise in Government revenue. A fall in the dollar price could be partially offset by a change in the exchange rate which increased the sterling value of oil receipts and profits. It is clear that the Government will have incomparably more freedom of manoeuvre in its fiscal policy in a couple of years' time than it had for all the 1970s. This is not talked about very loudly in Whitehall or Westminster at present, lest the prospect of such a bonanza distract attention from the need for fiscal restraint for the next year or two. But this has not prevented the Government from seeking to ease some of its current constraints by bringing forward oil tax payments and—possibly in the Budget—raising the rate of Petroleum Revenue Tax.

The prospective revenues can be looked at in a number of ways. There is, however, the problem of comparing receipts a few years in the future, and calculated on the assumption of a rising oil price, with other tax revenues and public sector borrowing at present and at current prices. But even if the revenues are adjusted to 1980 prices stockbrokers Phillips and Drew estimate the total Government receipts from North Sea oil will be between £8½bn and £9½bn by the mid-1980s. This compares with a likely level of public sector borrowing of around £9bn in the current financial year and a target of probably slightly less than this in 1980-81. These revenues are also equivalent to nearly half total income-tax receipts in 1979-80 and to more than four-fifths of a full year's receipts from Value Added Tax at its current rate.

There is no shortage of suggestion about how the revenue should be used. First, there is the question of whether some of the oil revenue should be used to reduce the tax burden on the non-oil sector of industry since its profits are being squeezed partly because of the impact of North Sea oil on sterling. An obvious way would be to cut the employers' national insurance surcharge.

Second, there is controversy about whether revenues from an asset which will begin to decline in the 1990s should be used to finance income-tax cuts which will boost current spending.

It has been argued — most recently in the monthly review of Morgan Grenfell, the merchant bankers — that the revenues should be used to reduce public sector borrowing and to repay debt. This would ensure that Government sales of gilt-edged stock do not pre-empt institutional flows of funds and this would allow capital outflows to match the current inflows from oil production.

The most imaginative proposal—from Samuel Brittan and Barry Riley of the FT—has been that the people themselves should decide what to do with the oil revenues which should be distributed as a North Sea equity to all citizens.

The first opportunity for the Government to reveal its policy on the use of these revenues will come in the Budget—and in particular, in the economic discussion accompanying the expected medium-term financial plan. Ministers need no reminding that the big jump in tax receipts will come comfortably before the next election is due.

Peter Riddell

BRITISH GOVERNMENT OIL REVENUE

£m

	1979	1980	1981	1982	1983	1984
Royalties	400	800	1,300	1,800	2,100	2,500
Petroleum Revenue Tax	1,000	1,700	2,600	5,100	6,600	7,900
Corporation Tax	600	700	1,000	2,800	3,200	4,300
TOTAL	2,000	3,200	4,900	9,700	11,900	14,700

ASSUMPTIONS: No tax changes; oil prices = $33 a barrel at present rising 10% a year in monetary terms; value of sterling constant at £1 = $2.10; UK crude oil production, 1.8m barrels a day this year, rising to 2.7m b/d in 1984. The revenue is net income, after capital allowances.

Source: Industry estimates

Letters to the Editor

Inflation

From Mr. A. Gray.

Sir,—Edward de Bono (March 12) raises some very interesting questions about inflation but it is doubtful whether his proposed commission of inquiry would succeed in achieving a sufficiently detailed analysis of the topic to be able to expose the problem accurately, because the economists on the team would undoubtedly baffle the others with "measures of the money supply" and other esoterica.

The problem that any thinker faces, especially in relation to economics, is that he has to overcome his own vested interests if he wishes to see "the truth." The most efficient way to overcome vested interest, which can be more generally described as "my opinion," is to stop thinking altogether and learn the law.

In the case of economics, the law of the subject is often ignored even though particular rules are obvious and operate constantly whatever the circumstance. For instance there is an observable principle in economics that whatever article or service is taxed, the unwilling tax payer will avoid it as far as possible. The result is that the tax avoidance business always manages to find some way around every new tax law which is applied to moveable and/or avoidable items, such as work, alcohol, tobacco, etc. If one managed to avoid these three, ones potential tax liability would be reduced enormously.

The corrollary of the aforementioned rule is that whatever is favoured by tax exempt status, that thing will be used to abuse. Thus it is that while manufacturing industry groans under the triple lash of high interest rates, rising inflation and an over-valued currency and experiences under-capacity utilisation of its plant due to lack of demand, many potential consumers (who could be responsible for enabling that plant to be put to more effective use) are busy saving as much money as possible because by many forms of saving the payment of tax is avoided.

There is no puzzle about this situation if it is seen as the outcome of action under law, but it does have a very direct connection with inflation.

So perhaps Mr. de Bono would care to amend the nature of the commission of inquiry into one that seeks to discover the laws of economics—and the sooner the better, because at the moment we are very clearly saving our way into a recession.

Adrian Gray.
31, Russell Road,
Wimbledon, SW19.

Perks

From Mr. J. Lambie

Sir,—In his article on fringe benefits (Feb. 29), Mr. David Freud made particular reference to the company-provided motor car, and to the intention of the Government to increase taxation of this benefit.

Mr. Freud pointed to high taxation as the reason for the growth of fringe benefits in the United Kingdom, and quoted the Inland Revenue consultative paper which implied that tax concessions of the last Budget made such benefits unnecessary.

Does not the Chancellor realise that for most employees those tax gains have been more than offset by inflation? Does he not know that fringe benefits have developed not only because of punitive taxation but also because of low salaries and wage freezes during years of high inflation?

Comparisons are often made between the "perks" enjoyed by employees in Great Britain and in other industrialised countries. Why are no simultaneous comparisons made between the net salaries, purchasing power and standards of living of these groups? In his half page article Mr. Freud does not once refer to the fact that British people are much worse off than their Continental cousins, and that this applies as much in companies of high productivity and profitability as it does in stagnating industries.

If Sir Goeffrey continues Mr. Healey's selective attack on management, and ignores the fringe benefits enjoyed by those who are protected by trade unions, then truly he will be biting the hands that feed him, with inevitable results at the next election.

John J. Lambie.
30, Firlands,
Ellesmere Road, Weybridge,
Surrey.

Arbitrage

From the Chairman, Editorial and Communications Committee, Association of Corporate Treasurers

Sir,—We have recently read a great deal in the financial Press about "round tripping" and I note the Economics Correspondent's reference to it in his front page article of March 8. I should like to make it quite clear that this practice is very much frowned upon by our members, nor do we think that it takes place to any large degree, if at all.

The reason for the increased demand for bank overdraft facilities is not, as we see it, treasurers seeking a small arbitrage return by reinvesting such borrowings in the money market, but rather, naturally enough, treasurers' desire to seek the cheapest source of borrowing.

Daniel H. Hodson.
Fairfax House,
Fulwood Place, WC1.

Plastic

From Mr. P. Kreamer

Sir,—Now I see Mr. Martin Simons (March 10) having a go at credit cards with some funny old fashioned assertions about their adding to inflation. He wants them taxed—as if that would reduce it!

The opposite policy would be much more beneficial. The Government should insist that everyone has at least one credit card, a cheque book and a bank account. The capacity of the installed computers being, to all intents and purposes, infinite, the increased business would present no problem to the banks.

As soon as everyone has the essential pieces of plastic all paper money would be withdrawn. Tiny transactions could continue in coin but all others would be done through card and cheque: thus all major transactions would be on record resulting in no more tax evasion and the death of the black or second economy. Robbers without sufficient muscle to carry several kilos of coin at a smart trot would emigrate and all armoured cars could be used for fast parcel service. There would be savings in paper and printing costs to the Bank of England and the didicois that daily demand cash for some second rate service would return to their native haunts.

Plastic money rules—OK, Mr. Simons?

Peter Kreamer.
39, Bell Lane, Eton Wick,
Windsor, Berks.

Money

From Dr. S. Ruff

Sir,—I have yet to see a rational explanation of the method the Government has chosen to achieve its objective of reducing the money supply. We all know that, in a free economy, the price of a commodity goes up when it becomes scarce. But is the converse true? If you artificially raise the price of a commodity does that really make it scarce? There is a confusion here between cause and effect: surprising to find a trained scientist like Mrs. Thatcher as its victim.

Raising bank rate by decree is the same thing as artificially imposing a high price on the commodity called money. If you do not, at the same time, impose any other controls—indeed, if you do the opposite and remove what little control you have—then all you will achieve is a rush of money supply into the new, lucrative market for money which you have created and a consequent upvaluation of the currency: and what is that if not a further increase in the money supply because you now need less of the money in circulation to pay for the goods you are importing.

Let Mrs. Thatcher try a bank rate of 4 per cent and watch the money supply shrink instantaneously because there will be no money to be had at that price! Mind you, she will need a few other controls as well—but these will hurt the financial institutions more than anyone else and right now they have not many friends!

(Dr.) S. U. Ruff.
Ashlea,
Wheldrake,
York.

Banks

From Mr. J. Peachey

Sir,—I refer to Mr. Simons' letter (March 10) regarding the pay claims by bank staff which he considers to be excessive.

I work for a commercial bank and can say that our wages have fallen well below the comparative level of 10 years ago. Then it was regarded as an honour to work for the banks. Nowadays people look upon the banks as a last resort when looking for a job. The reason is simple, the abysmal starting wage when compared with other institutions and foreign banks (approximately £2,000).

With the emergence of renewed determination on behalf of the Banking Insurance and Finance Union (BIFU) and the staff associations we may be receiving an acceptable rise this year of 20-25 per cent. I am sorry that I cannot repeat the last sentance with complete assurance because if proposals to tax excessive bank profits and others such as Mr. Simons are implemented, the banks may be in no position to offer incentives for good, intelligent school leavers and so the present decline in first rate staff will, sadly, continue at an ever increasing and alarming rate.

J. Peachey.
66, Waterbeach Road,
Dagenham, Essex.

Taxation

From Mr. C. Neilson

Sir,—There seem to be two valid reasons for the revision of capital gains tax—the unpopularity of the tax is not one of them!

The first is that it represents a repeated drain on national capital resources whenever investments are changed, if a gain is involved; the second is that it is levied at such a low rate, relative to income-tax, that it enables the speculator to enjoy more spending money than either the wage earner, or the profit earner, from the same gross reward.

I suggest that all spending money ought to be taxed at income-tax rates, and reinvested capital not taxed at all. This could be effected relatively simply by including all productive investment as an "allowance" for tax purposes (of Loi Monory), and all money received, whether from earnings, capital sales, dividends, pools wins or other sources, subject to reasonable exemptions, as "taxable income."

Clearly there would have to be transitional arrangements, and top-slicing might be necessary in exceptional cases. There would also have to be a definition of "productive investment," which, I suggest, should include one's own residence, up to an appropriate amount, but exclude static assets (Krugerrands, diamonds, etc) not held as stock in trade.

Not only would this arrangement be equitable for all taxpayers and highly desirable from the economic point of view, but it would surely save an enormous amount of work both in the Inland Revenue and in the tax avoidance profession.

C. B. V. Neilson.
10, Chestnut Walk,
Little Common, Bexhill-on-Sea,
East Sussex.

London's casinos: Rien ne va plus

BY ANDREW FISHER

Trevor Humphries

THESE ARE nerve racking times for Britain's casinos, now rapidly losing the growth lustre which once proved so tempting to investors. At the very moment when profits are being squeezed by the reduction in the number of visiting foreign gamblers, the industry faces the *prospect of a probable gaming* tax increase in the coming Budget.

Tension in the Middle East *has*, not surprisingly, discouraged a number of the free-spending Arab and Iranian gamblers whose enthusiastic patronage helped *to* keep *profits* flowing into the casinos of major operators like Ladbroke, Coral, Playboy and Mecca, which is owned by Grand Metropolitan.

High inflation and the strength of sterling have also made visitors think twice about coming to Britain, and it is against this gloomy background that the large companies are waging their own particular *struggles* either *to survive in* the industry at all or to keep *up* with changing demand.

With Ladbroke this week losing yet another stage of its hard-fought attempt in the courts to win back licences for three lucrative Mayfair casinos, following admitted breaches of *the Gaming Act, the future of* the casino business in London is at best unclear.

Coral is still reeling from the effect of last winter's police raid on its four London casinos. They led to a number of charges being made against officials of the company, though *the persons involved have* denied these.

This has placed a big question mark over the prospects of Coral's participation in a planned $100m casino and hotel venture in the U.S. resort of Atlantic City in New Jersey, where the three casinos now open averaged a daily aggregate gross profit of nearly $1.3m in January.

As if to emphasise the industry's constant vulnerability to scandal, Atlantic City, the only place in the U.S. where Americans may gamble outside Nevada, has itself become the target of corruption allegations against *state* officials which could well slow down the further progress of the industry there.

Coral's *with its 20 per cent* stake in Hardwicke Companies, the projects organiser, thus faces a double hindrance. Not only could Atlantic City's own problems hold up the granting of further licences, but Coral's difficulties in Britain could also affect the granting of a licence by the U.S. authorities there and could delay financing.

Deterrent

Playboy also is keen to enter the casino world in Atlantic City. The company's head in the UK, Mr. Victor Lownes, hopes that no hitches will result from the recent allegations. The $90m project, which *includes a 500-room hotel, is* scheduled to open this October. Playboy's stake is 45 per cent.

But Mr. Lownes, who also runs Playboy's international operations, including the casinos, believes that other U.S. States will be deterred from making gaming legal. "This *sets New York back about five* years," he said recently. U.S. States which have pondered legalising gambling also include Pennsylvania, Massachusetts, Michigan and Illinois.

Britain's Gaming Board, set up under the 1968 Gaming Act to supervise casinos in the UK *after* the turbulent and unregulated growth of the mid-1960s, is not wholly delighted with the growing outside aspirations of British operators.

"One of our great concerns is the internationalisation of gaming," said Lord Allen of Abbeydale, the Board's chairman. "Companies and gamblers don't pay much attention to national boundaries." One reason is that it could make the task of regulation harder by extending some companies' operations beyond the range of the Board's gaze.

Also, he felt, there was a risk of UK companies straining their *own financial limits, not to* mention the problems of identifying the sources of finance flowing in to overseas casino ventures.

But the Gaming Board's chief desire at the moment is to gain access to more detailed information about the financial performance of indvidual clubs, the need for which has been agreed in parliamentary debate by Mr. William Whitelaw, the Home *Secretary.*

It also wants to know more about who actually controls each casino by being allowed to look into share transfers. And it would like to be able to march in, unannounced, to the offices of companies which run casinos to demand any data not freely given.

Basically, said Lord Allen, "we want more powers." Under the Act, UK casinos are allowed to operate on the basis of unstimulated demand. Thus there are strict rules against quick and easy club membership, against credit and live entertainment, and advertising.

Despite the restrictions, casinos strive hard to create an enticing environment. In the top West End clubs in London, the decor is plush, the restaurants excellent, and the croupiers often are attractive young women. As in less exclusive clubs in London or in the provinces, there are also bar facilities. But it is the gaming which provides the bulk of the business, and clubs generally keep as gross profit about a fifth of the money spent on roulette, blackjack and other games at the tables.

Ladbroke lost its three Mayfair licences—it still has one in Knightsbridge and 11 outside London—because of its illegal attempts to entice heavy gamblers away from other casinos. *Although it has* restructured its casino division, it has failed to convince the courts that it should be allowed *to have them* back.

Upholding a previous court decision on this point, Lord Widgery, the Lord Chief Justice, was quite stern in dismissing Ladbroke's appeal for a judicial review. "It might indicate repentance," he said of the costly restructuring, "but at best it would be a deathbed repentance."

In similar vein, he went on in his *sotto voce* delivery, taking nearly an hour for the whole judgment, to say that renewal of the licences "might well be regarded by the man in the street as an unwarranted display of mercy being shown to a large corporation which had made vast sums of money from its illegal operations—mercy of a kind which would never be extended to an individual."

Ladbroke has so far spent up to £400,000 on trying to regain *the licences* for the clubs — the Hertford Club, the Hyde Park Casino, and the Ladbroke Club. They were closed last December after the company lost its appeal in the Knightsbridge Crown Court at the end of a year when casinos and bingo are thought to have contributed around half of Ladbroke's estimated £50m pre-tax profits.

Ladbroke intends to appeal against this week's High Court decision. Meanwhile, it can still operate its other London club, in the Park Tower Hotel, and its provincial casinos. The Gaming Board, however, wants to have the *Park Tower* licence cancelled by the licensing justices which, under the Act, could lead to the others being could lead to the others also being shut. The hearing on this is likely to be delayed until the

Magistrates around the country will hear companies' various applications for casino licence renewals in May. Ladbroke has applied for its remaining 12, while Coral is unclear whether — after the raids — the board, the police, or anyone else will object to business being continued at its London and provincial casinos.

Since the volume of Britain's casino industry, based on the size of the "drop" or chips handed over for money, is now approaching £1bn, there is clearly no shortage of people wanting to fill whatever gaps might be left, despite the effect of Middle Eastern turmoil, the rising cost of visiting Britain and the adverse publicity given to UK gaming on overall demand.

Yet the Gaming Board is determined that there shall be no wholesale expansion of the tightly-regulated industry. "It is not safe to assume that all casinos which close will be replaced," said Lord Allen. At present, there are 127 clubs operating in Britain, including 22 in London, *which dominates* the industry because of the foreign gamblers.

'Blitz' denial

Despite the police raids, Ladbroke's court battles, and *the board's strong view that the* Victoria Sporting Club should not keep its licence acquired for £6m by Playboy after a particularly chequered history, Lord Allen insists: "There has not been a planned blitz on the London casinos."

Playboy bought the London *club last August, well after another police raid late in 1978* which resulted in various criminal charges against those previously connected with the Victoria. But the Gaming Board is adamant that the new owners should not receive any permanent benefit from the acquisition.

"Is it right that a club which has been the scene of alleged misconduct should happily be allowed to continue and earn profits for its new owners?" *asked Lord Allen.* Along with the Metropolitan Police, the board is currently putting its case in court.

It will not be long before the North Westminster Gaming Licensing Committee comes to a decision on the Victoria Sporting Club's future. Playboy's desire to keep the licence was emphasised by figures produced last week showing that gross takings in the first four months *of its management were nearly* £13m, of which £2.5m was profit.

With such sums to be made, it is no wonder that the industry is widely expecting some form of tax increase in the Budget.

Whatever the Budget on March 26 brings for the industry, one thing seems *certain. There will be no* implementation of the Rothschild Commission on Gambling's notion that casinos should be able to charge players 7½ per cent on money exchanged for chips. It wanted to combine this with an eight-fold rise in the existing gaming licence duty.

Virtually no-one connected with the industry, including the Gaming Board, is in favour of this new duty. "It would *encourage all sorts of abuses* that the Gaming Act was designed to prevent," said Mr. Ernest Sharp, joint managing director of Grand Metropolitan. Since it would mean taxing people before they had even had a chance to win or lose on the tables, "you would get *illegal chipbrokers, and there* would be a massive float of uncashed chips to be used in subsequent games."

Yesterday, in a surprise move, *the company announced that* Mr. Sharp planned to resign. No clear reason was given.

So the most likely step by the Government appears to be a simple doubling, trebling, or even quadrupling of the present duty.

If the duty were doubled, *said* Mr. Michael Hoare, managing director of Coral, "the industry wouldn't like it, but would have to live with it." A rise of 2½ times could also be just about tolerated. "*But if it* went up three times, I think we would squeal."

Last year, Coral's profits from casinos were around £11½m, marking a return to 1977 levels after a sharp dip in 1978. As for the industry's general prospects, he is not particularly *sanguine*. "It's very unfashionable; it's become an Aunt Sally for everyone," he said.

Mr. Sharp also sees less buoyancy in the industry, although "we're not despondent." Nor have Mecca's four London casinos, which include *the Ritz, seen much benefit* from the closure of Ladbroke's three clubs. Mr. Sharp notes, however, that the normal peak months for Arab tourism in *Britain have yet to come.*

But he adds, that "casino gaming world-wide is in an explosive expansionary phase." There are numerous projects lined up for Atlantic City up to the mid-1980s in spite of the difficulties that have been en-

Spain is one of the countries where casinos have been most recently permitted, even though taxes have been set so high as to raise doubts about further *growth there. Eighteen casinos* have been allowed, none in major cities.

Whatever the outlook elsewhere, the heady growth period in the UK is clearly over. Mr. Lownes said Playboy's two London casinos—apart from the Victoria—possibly accounting *for a fifth of the industry's winnings* in London, were down about 20 per cent in volume over the past year, though still profitable. But he admits to being wrong before about the "*high-rollers*"—"there are two new pigeons coming up the stairs, for every one fluttering *down.*"

Weekend Brief

Southend's sighs of Tory relief for Teddy Taylor . . . the blooming business of the fleurins . . . and how cards are a mother's delight

Back by a nose

Teddy Taylor is used to living dangerously in politics, but even he must think that to retain the safe Tory seat of Southend East by 430 votes only *10* months after a runaway Conservative General Election victory is running things a little close.

The Taylor career has been a roller coaster sequence of triumphs against political odds, in holding the working-class Glasgow seat of Cathcart for 15 years, and setbacks culminating in the loss of the seat at the last General Election. He has never been a politician to seek the quiet life.

He was destined to become a member of Mrs. Thatcher's Cabinet as Secretary of State for Scotland having led the highly effective Tory anti-devolution campaign, but this might not have proved wise for his long-term prospects. The posts of secretary for Scotland and Wales are notoriously political dead ends.

Ironically the humiliation of being the only leading Tory to *lose his seat last May could* prove to be the breakthrough his political career required.

The decision to move to national politics via an English seat was *deliberate* though a massive gamble. There were simply no winable constituencies in prospect in Scotland and he *needed a safe seat. Failure* even to reach the short list at South West Hertfordshire was a severe setback and had he lost Southend because of the label of carpetbagger it would have been the end of his political career. No constituency party would have risked picking the man who had *frittered such* a chance.

But having survived his prospects look good. There is little doubt that as a fiercely aggressive *Thatcher loyalist* he will join the Government when an opportunity occurs probably later in the year. At the age of *43 he is a comparatively* young man in politics and after the severe jolt he has received in the by-election he will apply his considerable energies to nursing Southend into as safe a seat for him as it was for his predecessor, Sir Stephen McAdden. The seat is not subject to Boundary Commission revision so he should have a reliable base for the rest of his political career.

His qualifications for joining Mrs. Thatcher's administration are *formidable.* He earned his reputation as a colourful Tory *campaigner* north of the border after capturing Cathcart in 1964, and to the evident irritation of many colleagues he set about changing the cosy grouse moor and landed gentry image of the Scottish Conservatives singlehanded.

Like Mrs. Thatcher in the wider national party he was the outsider who broke into the charmed circle and shook it to its foundations. His humiliation *last May was, predictably,* not a universal cause for sorrow among more traditional Scots Tories but his loss was deeply and genuinely felt by Mrs. Thatcher.

The Prime Minister will greet with relief the support of a close political ally with pronounced *right-wing* views, although in the past he has made no secret of his prickly independence. *He resigned as Under-*Secretary at the Scottish Office in the Heath Government in 1971 because of his anti-Common Market views.

But at a time when the Government will come under increasing criticism for maintaining unpopular economic policies, and divisions in the Cabinet could deepen, the presence of *Mr.* Taylor at Westminster will undoubtedly stimulate *some Ministers to try* harder. They will know he will be waiting impatiently for his next opportunity.

Terry Kirk

South Molton Street, a pleasantly cosy pedestrian shopping area off the hurly burly of Oxford Street, may be the next piece of personalised London to disappear under the pressure of rising rents. Many of the shops in the street have come to the end of *five-year leases* and are *being asked* for rent rises of between 600 and 1,000 per cent. Most shops are individually run and some at least will have to close their doors if the increases are insisted upon. The banks, the chain stores and the hamburger joints will then move in. Hope, in the form of a campaigning co-operative, some of whom are seen above, springs eternal.

Growing flower power

There is expected to be a record number of *fleurins* flowing out of Britain tomorrow —Mothering *Sunday*, now better known as Mother's Day. The *fleurin* is the international currency invented by Interflora, the organisation created by florists to provide a worldwide sales service. Using the Swiss franc as a common denominator, the *fleurin* converts money supplied in one country into flowers delivered in another country.

One *fleurin* is currently worth 25p in Britain, and 67 cents in the U.S., so £10 spent in London buys over $26 worth of flowers delivered in New York.

It is a well-tried mechanism introduced as early as 1946 shrewdly anticipating the forthcoming chaos in international exchange rates and selecting the Swiss franc as the most stable currency.

However, new gimmicks are being used to promote sales of *flowers* in Britain, *particularly* the "relay trade" which Interflora claims is blooming, despite economic restraints hitting other retailers. The introduction of the "living card" — a greetings card specially designed to hold a small bowl of flowers — is said to have helped bring a boom in Valentine Day sales this year.

A special for Mother's Day is the "floral hankie" — a handkerchief prefolded into a rose bud shape that can be added to a house plant or floral *arrangement. There is also the* new "flower cylinder" — a container enabling flowers to be kept longer than usual.

According to Interflora, Britain is now climbing the international flower buying league table.

Traditionally the UK has been lying in a lowly position, well behind the leaders, Sweden and West Germany, possibly because of the popularity of gardening in Britain. But things are now changing.

In value terms at least Britons are now spending a lot more money on flowers recovering from the setback in 1974 when the introduction of Value Added Tax dealt a crippling *blow to florists.*

Exact figures are hard to come by, since it is a trade made up of small businesses. However, it is estimated that at least £300m a year, and possibly as much as £400m is now being spent on flowers in the UK. There are some 4,500 regular florists, not counting the garden centres, greengrocers, chain stores and barrow boys who also sell flowers.

One known statistic is that each florist has an average of 4.5 employees. Add to this the large number of growers producing flowers, and one can see why there is considerable commercial interest in ensuring that Mother's Day is a success.

Spring card games

Record sales of an estimated 40m cards for Mother's Day highlight the steady growth of the greeting cards industry. Last year the total market was estimated to be worth £150m with about 1.8bn cards being bought in the UK.

During the 1970s Britons' consumption of cards has grown *steadily. In 1979* there were 250m more cards bought than in 1975, an increase of 15 per cent over five years.

Manufacturers have been quick to exploit a society which is keen to communicate with friends and relations but which has discarded letter-writing as a *primary means of communication*. It is now possible to buy cards expressing every gamut of emotion—from "deepest sympathy" to passing the driver's test. In the city of London this week there were considerable numbers of city gents buying Mother's Day cards for their wives, for example, at prices which went up to £1 and more.

Brian Cartmell, of the Greeting Card and Calendar Association, says the average purchase per person in the U.S. is about 35 cards a year while in the UK it is 30. "But the *gap between the* U.S. and the UK is diminishing. When news is bad—trouble in Afghanistan or the steel strike, for example —people want to see the lighter side of life and cheer their friends up. The worse the economy becomes, the more people want to communicate with friends and relations."

Nicholas Gamble, of U.S.-owned Hallmark, reckons that "we have found that the state of the economy has not affected our cards although manufacturers producing cards for the cheaper end of the market have *suffered recently. At Christmas,* with the higher postal charges and rumours of doom and gloom many people were sending larger or more expensive cards instead of presents."

Mr

Contributors:
Richard Evans
John Edwards
Lisa Wood
Arthur Sandles

Economic Diary

TOMORROW — West German Chancellor Helmut Schmidt meets *French President Valery* Giscard d'Estaing, Hamburg.

MONDAY—House of Commons debates Prime Minister's call to boycott Olympic Games in Moscow—ending in "free vote." Top level talks in Geneva, including Britain, U.S. and Australia, to plan alternative Olympic Games this summer. Balance of payments current account and overseas trade figures (February). Special two-day delegate conference of Union of Post Office Workers opens to discuss productivity and staffing package. National and Local Government Officers' Association employers meet to discuss union action on issue of rate demands. EEC Finance Ministers meet, Brussels. Labour Party Co-ordinating Committee debate on "The Crisis and Future of the Left," Central Hall, Westminster, 7 pm.

TUESDAY—EEC Foreign Ministers meet, Brussels. Cyclical indicators for the UK economy (February). Sir John Methven, director general, Confederation of British Industry, addresses Yorkshire regional annual dinner, Cutlers Hall, Sheffield. Lord Boyd-Carpenter speaks at National Federation of Building Trades Employers annual meeting luncheon, Royal Lancaster Hotel, London.

WEDNESDAY — Steel union negotiators meet to discuss strike position and the ballot proposal. Mr. Denis Healey, Shadow Chancellor of the Exchequer, and Mr. Len Murray, Trades Union Congress general secretary, speak at Institute of Management 1980 Conference, London Hilton. Average earnings (January). Basic rates of wages (February). Northern Ireland Constitutional Conference resumes. Mr. Enoch Powell, MP, addresses Land Conference, Connaught Rooms, Great Queen Street, London.

THURSDAY—Bank of England quarterly bulletin. UK banks' *assets and liabilities* and the money stock (mid-February). London dollar and sterling certificates of deposit (mid-February). New construction orders (January). Mass meeting of NALGO members over comparability offer, Apollo Theatre, Glasgow.

FRIDAY—Sales and orders in the engineering industries (December). New vehicle registrations (February).

SATURDAY — Prime Minister speaks on second day of Conservative *Central Council meeting* Bournemouth. National Conference of Self-employed two-day meeting opens, Royal Hall, Harrogate.

Midland jumps 36% to £315.5m: dividend boost

PROFITS BEFORE tax of Midland Bank rose by 36 per cent from £231.4m to £315.5m in 1979 and a second interim dividend of 12.5p lifts the year's total from 16.44166p to 20p per £1 share.

"These are creditable results," says Lord Armstrong, the chairman. The profit increase was achieved in spite of the disposal of the bank's interest in the Bland Payne insurance group which in 1978 contributed over £25m to profits.

The chairman says the dividend increase is right at a time of increased profits and freedom from dividend restraint. However this is as much as can be prudently paid in the light of the need to build up the capital base to support future expansion. The dividend is covered 5.87 (5.26) times.

For the current year the bank would have "great difficulty in repeating the sort of profits seen last year," Mr. Malcolm Wilcox, one of the chief general managers, said.

After tax and minorities and extraordinary debits of £25m (£21.8m) the attributable profit is £166.2m against £118.8m. Basic earnings per share before extraordinary items are stated as 117.4p (88.8p) and 107p fully diluted.

Current cost pre-tax profits *show a rise from £175m to £183m* after adjustments for monetary working capital, £157m (£59m), depreciation, £12m (£10m) and gearing, £47m (£20m). Lord Armstrong says this restatement shows how much money had to be ploughed back in times of inflation "merely to conserve the real worth of the capital."

Net charge to profit and loss account for bad debt provisions amounts to £12.1m (£14.3m) being £9.9m (£2.6m) specific and £2.2m (£11.7m) general. Advances written off during the year amounted to £16.9m (£25.7m) but there were recoveries of amounts written off in previous years of £5.4m (£2.8m).

Freehold and long leasehold land and buildings of the group have been revalued as at December 31, 1979, and a surplus of £126.2m has been added to reserves.

Shareholders' funds rose to £1.22bn (£959.7m). Total group *deposits were £18.04bn (£13.83bn)* and group advances (including instalment finnace and leased *assets) amounted to £13.18bn* against £10.1bn.

	Year 1979 £m	1978 £m
Trading profit*	311.3	223.4
Associate profits	35.7	34.7
Loan interest	31.5	26.7
Profit before tax	315.5	231.4
Tax	123.2	88.0
Net profit	192.3	143.4
Minorities	1.1	2.8
Extraordinary debits	25.0	21.8
Attributable	166.2	118.8
Dividends	32.6	26.7
Retained	133.6	92.1

*After £15.6m in respect of group staff profit-sharing scheme.

Prior to the sale of 10m shares in Standard Chartered Bank, by Midland on October 17 Standard Chartered was treated as an associated company, even though the bank's shareholding represented less than 20 per cent of the equity voting rights.

Consequently the profit and loss account includes the attributable share of profits of Standard Chartered as an associate up to June 30, 1979, the date of the latest available accounts prior to disposal.

Because of the change in its accounting year-end, only nine months profits are available for consolidation compared with 12 months' profits in 1978.

The effect of this accounting treatment is to increase the profit before tax by £15.8m (£14.6m) and net profit before extraordinary items by £6.2m (£6.9m).

The book amount of Standard Chartered, including the share of post-acquisition retentions to June 30 was £86.8m. The difference between this amount and £60.4m being the sum of the net proceeds of the sale (£45.1m) and the book amount of the shares retained (£15.3m) has been charged as an extraordinary item.

Midland disposed of its remaining holding of 3.74m shares in January this year.

See Lex

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Bracken Mines ...... §int.	37	May 15	24	—	52
Bridgewater Ests.	11.5	—	10.02	16	14.52
Burndene Invests. ... int.	0.25	May 6	0.5	—	1.1
Conder Intl.	4‡	May 19	1.22	7‡	1.22
Kinross Mines ...... §int.	84	May 15	32	—	74
Leslie Gold Mines §int.	29	May 15	14	—	32
London & Strathcl. int.	0.7	May 21	0.6	—	1.8
Lon. & Prv. Pst. 2nd int.	10	April 11	—	—	12
Midland Bank ... 2nd int.	12.5	April 3	9.94	20	16.44
Noble and Lund	0.25	—	0.61	0.42	0.85
St. Helena Gold ... §int.	305	May 15	125	—	300
Unisel Gold Mines	§40	May 15	—	—	—
Winkelhaak Mines §int.	194	May 15	80	—	205

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ As forecast at time of flotation last November. § South African cents throughout.

SPAIN

March 14	Price %	+ or —
Banco Bilbao	226	
Banco Central	250	
Banco Exterior	210	
Banco Hispano	221	
Banco Ind. Cat.	130	−1
Banco Madrid	155	
Banco Santander	268	
Banco Urquijo	170	
Banco Vizcaya	232	
Banco Zaragoza	204	
Dragados	100	−0.5
Espanola Zinc	60	
Fecsa	57.2	
Gal. Preciados	33	
Hidrola	64.2	+0.2
Iberduero	58.7	−0.3
Petroleos	106.5	+0.3
Petroliber	63	
Sogefisa	107	−4
Telefonica	54.2	−0.3
Union Elect.	62.7	

Burndene falls to £93,000

TAXABLE PROFITS of Burndene Investments, the caravans, mobile homes and clothing manufacturer and property developer, fell from £130,249 to £93,225 in the six months to November 30, 1979, and the directors say a loss must be *expected in the second half*. In the last full year, profits rose from £306,000 to £386,000.

Profits of the group reached a peak of £736,022 in 1974 on sales of £7.73m.

The interim dividend is halved to 0.25p—last year's final was 0.6p.

The profit is struck after sharply increased charges, including interest, of £233,660 (£135,679). After tax of £51,579 (£75,544) and an extraordinary debit of £14,430 (nil), £27,198 is retained against £54,705. Stated earnings per 5p share are down from 0.53p to 0.41p.

Lonrho shareholders give go-ahead to capital increase plan

Lonrho, the international trading conglomerate, gained support from shareholders, *helped by a* substantial proxy vote, for its resolution which increased the group's share capital from £62.5m to £72.5m through the creation of 40m new shares.

The deal was approved by shareholders at yesterday's *packed annual general meeting* at the Grosvenor House Hotel, Park Lane, London.

Another resolution which gave the board complete discretion to buy or sell a half share in the Nyaschere Rhodesian copper mine which it does not already *own was also approved.*

But the meeting did not pass without incident. Gulf Fisheries, the Kuwaiti-controlled company which owns 21 per cent of Lonrho through its representatives. *Robert Flemings, argued that the* creation of the new shares would mean in total 68.5m shares over*hanging the market.*

The representatives argued that this must continue to depress the share price. "If the board wants to continue to make acquisitions, it should be for cash, this cash could be provided by shareholders with a rights issue."

Mr. Walker Arnott, for Gulf, demanded an assurance that Lonrho would not issue any shares until after the publication of its next interim results. Lord Duncan Sandys told shareholders that the proposed increase was "neither unusual nor unreasonable."

"Our unissued and uncommitted shares now represent only about 11 per cent of the *authorised capital*." Most listed overseas traders, he argued, have a much higher percentage of unissued shares — in some cases more than double.

"We have for many years been *an expanding company, and we* shall no doubt continue to expand." The proposed increase *was not earmarked for any* particular acquisition. But the company was "looking at certain *possibilities in the western hemi*sphere which would help to widen still further the spread of *our investments*."

Lord Duncan Sandys told the Gulf representative that "it would be unwise and wrong for the board to tie its hands as to how it will manage the business."

He had earlier told shareholders that the directors already had proxy support for the resolution totalling 77m shares—around 35 per cent of the capital.

A show of hands later carried *the resolution although Gulf* found support from 20 or so other shareholders. There was no call for a poll.

Mr. Edward du Cann, a director of Lonhro told shareholders before the vote was taken on the copper mine deal, that the directors believed that the arrangement was "in the best interests of shareholders."

The group had received 47m proxy votes for the resolution; but on a show of hands the Gulf interests again voted against the board. An overall majority was scored in favour of the directors and there was no call for a poll.

He did not agree with a shareholder who agrued that the company would be buying a "pig in a poke" if it purchased the mine while there were still possibilities that Rhodesia could follow Tanzania in nationalising major resources.

During the meeting Lord Duncan-Sandys referred to suggestions that Lonrho was "on the verge of a profits explosion" and although he would make no forecast himself, he told shareholders "I can assure you that Lonrho is in a very healthy condition."

The chairman referred to the recent hotels link-up with U.S. multi-millionaire, Mr. Daniel K. Ludwig and said "we are looking jointly at possible projects in Central and South America in which the technical expertise we have acquired in other parts of the world could prove most useful."

Conder Intl. meets forecast with £2.5m

Conder International, steel-framed buildings manufacturer, has met the profit and dividend forecasts made before its flotation last November.

The pre-tax surplus amounted to £2.46m for 1979, compared *with the estimate of not less than* £2.4m. Taxable profits for the previous year were £1.76m.

The net total dividend is 7p, with a final of 4p, as anticipated —last time there was a single payment of 1.2165p.

The directors say it is too early to assess the effect which the steel strike may have on results for the current year. Some overseas business has been lost and some extra costs incurred, but UK order books remain very buoyant, they add.

Turnover expanded from £66.58m to £92.64m for 1979, including exports of £22.41m (£13.91m).

Industrial buildings' sales improved from £45.3m to £60.11m, and Kingsworthy turnover was higher at £20.94m (£12.04m). Other activities accounted for £11.59m (£9.25m).

Exports to the Middle East and Asia rose from £10.92m to £15.79m, and Africa was up from £2.16m to £5.94m. Europe exports were lower at £584,000 *(£726,000)*, while the Americas were little changed at £103,000 (£100,000).

After tax of £229,000 (£197,000), earnings per 25p share are given as 27.1p (23.7p). After a notional tax provision of 52 per cent they are stated at 14.3p (10.3p). There were extraordinary debits of £103,000 (£16,000); which this time include flotation expenses of £265,000.

Takeover Panel says 3 Gilgate directors 'deserve censure'

THREE DIRECTORS of **Gilgate Holdings**, the property and insurance company, "*deserve* severe censure," the Takeover Panel has determined, for their conduct in buying more than 30 per cent of the shares without making a bid for the remander.

The Panel's announcement yesterday follows months of study and an *interim decision* that Mr. J. D. Kidd, Mr. D. A. Lucas and Mr. C. D. Reynolds incurred an obligation to bid for the outstanding shares under rule 34 of the Takeover Code.

The men repudiated that earlier decision on the grounds *that they did not have the* resources to make a full bid.

Now the Panel has found that the men "ought never to have engaged in the purchase of Gilgate shares which led to a rule 34 obligation" if they did not have the financial resources to meet the obligation.

"Moreover they ignored their obligation and concealed the *purchase of the shares*," the Panel notes, also pointing out that their actions during the *various transactions showed that* they were aware of the provisions of the Code.

The Panel's report notes that Mr. Kidd and his colleagues have "undertaken to pursue certain measures which might possibly at some future date realise for shareholders some indeterminate value for their investment." It intends to *monitor closely such moves.*

The activities of the three Gilgate directors are the subject of a Department of Trade investigation which has not yet been completed.

In the interim, however, the Department of Trade is seeking *to bar them as directors of* public companies in a case currently being heard before the Companies Court Registrar.

Goodman Brothers at £0.34m

PROFITS BEFORE tax of **Goodman Brothers and Stockman**, *London-based clothing manufac*turer, rose from £324,000 to £339,000 in the half year ended *October 31, 1979*, on increased turnover of £7.83m against £6.38m.

The half-year result follows satisfactory trading in the first quarter of the current year. In the previous year to April 30, 1979, pre-tax profits were up 33.4 per cent to a record £681,018.

First-half tax charge is £176,000 against £168,000 giving earnings *per 5p share of 1.67p compared* with 1.581p.

Upsurge by Hawker Canada

TAXABLE profits of Hawker Siddeley Canada, a subsidiary of Hawker Siddeley of the UK, jumped from $27.79m to $50m in 1979 on turnover ahead from *$398.3m to $540m.*

Tax for the 12 months took $18.93m compared with $12.24m. Earnings per share advanced from $2.01 to $3.69 and dividends absorbed $5.05m against *($3.42m.*

Midway profit for Rivlin as changes take effect

FOLLOWING last year's second half losses of £71,088, I.D. and S. **Rivlin Holdings** returned to profit *in the six months to* October 31, 1979 with a pre-tax surplus of £7,800 against £17,900.

The change over in the group's retail shops from fashion merchandise to a wide variety of household goods is improving sales, states Mr. Alfred Vogel, chairman. By the end of the financial year, these should have reached the point of showing a reasonable return.

The decision to close down completely the import and *wholesaling of fashion* merchandise has necessitated considerable redundancies, he adds.

The change over is nearly completed but has created terminal losses, together with *losses on the disposal of the dis*continued stocks, he remarks. But he anticipates that with the *actions being taken, which will* be completed by the end of the financial year, the group should be *well placed for recovery in* the 1980-81 period.

There is no tax charge this year, compared with £3,800.

Sales, less inter-company sales of £1.11m (£1.68m), were lower at £2.63m (£3.4m). The interim dividend is again omitted—none has been paid since a midway payment of 1.17p in 1977.

The results exclude the Hong Kong subsidiary, Eastport Textiles (HK), which is being sold to enable the group to cancel substantial bank guarantees given in respect of Eastport amounting to £615,000.

This is an important step, says Mr. Vogel, towards the board's overall aim of restoring the group's Stock Exchange listing, which was suspended in June 1978.

Retained balance came through at £1.58m (£1.86m).

Eastport is being sold to one *of its directors*, Mr. E. P. Chao, for £155,662, based on the company's net asset value at *April 30, 1979 of £154,154. Of* the consideration £125,735 is payable on completion, of which *£95,808 will be* used to repay debts due from the group to Eastport, and £29,927 will be *receivable in cash. The balance* is payable on February 28, 1981.

Bridgewater Estates leaps in second half

A SURGE in second-half profits from £329,564 to £902,112 pushed up the taxable surplus of Bridgewater Estates to £1.26m for 1979, against £805,000 previously.

At midway, pre-tax profits were down from £475,436 to £354,888, reflecting a decline in trading and development income. However, the directors said there were indications that this source would show a marked recovery in the second half.

The net total dividend is stepped up from 14.516p to 16p, with a final of 11.5p.

Tax took £687,000 (£313,000). Retained balance came through ahead from £99,322 to £137,913.

ISSUE NEWS

Edinburgh Securities £1.38m rights issue

Edinburgh Securities, an oil exploration company with a 163 *(2)* listing on the Stock Exchange, is raising around £1.38m net by way of a one-for-five rights issue of *1.22m* new ordinary shares at 115p per share.

The proceeds are earmarked to finance exploration expenditure by ESCO Exploration, the company's wholly-owned subsidiary, which is applying for blocks in the forthcoming seventh round of UK offshore licensing.

ESCO is also negotiating minority working interests in two consortia, both of which will be operated by companies experienced in North Sea oil and gas exploration.

American Trust, which holds 34.4 per cent of Edinburgh and other major shareholders representing a further 18.9 per cent, have undertaken to take up their rights in full. The balance has been underwritten by American Trust and other institutional shareholders.

Yesterday the company's shares slipped 7p to 148p where the discount on the offer price is 22 per cent.

Air Call plans 163 quote

A Stock Exchange quotation under 163 (2) is planned during the summer for Air Call, Britain's largest commercial operator of car telephones, paging and telephone answering services.

It is understood that brokers Grieveson Grant have been instructed to arrange for the sale of around a fifth of the company's share capital for roughly £1m.

The latest available accounts reveal that 1978 sales were running at an annual rate of about £7.5m with pre-tax profits of around £0.5m.

Results due next week

Barclays, the last of the four major clearing banks, and the *largest, unveils its year-end* performance next Thursday. There should be few surprises when it *is mentioned that both increased* lending volume and the higher base rate are expected to con*tribute to significantly higher* profits. The consensus is that the group should produce around *£500m, against £373.3m last* year.

Wednesday sees preliminary figures from **Tube Investments** and its separately listed **British Aluminium** subsidiary. TI is reckoned by analysts to be heading for a drop to £53m pre-tax against £80m in 1978. Industrial disputes cost it over £20m in the second half, with profits from steel tubes and engineering well down. Cycles could show a £2m loss. A maintained final dividend points to a full year distribution of *24.9p* net per share, against 23.4p last year. British Aluminium, 58 per cent owned by TI, looks set for around £24m, a £3.4m drop on 1978. For *the current year, TI may pull* back modestly to £60m or more.

Thomas Tilling, the broadly-*based holding company, will be* presenting its year-end figures next Wednesday and the expectation is that profits before tax will be rather higher than last year's £64.9m. Estimates range between £75m and £80m for the full year. One of the major factors behind this increase should be the additional earnings from more than £100m worth of acquisitions in North America. A good showing from the group's home improvement-orientated building materials division should also prove helpful. Industrial equipment also man*aged to do respectably, accord*ing to analysts. The projected dividend of more than 6p net *is promising; last year's total* net was 4.8p.

Analysts are almost unanimous in expecting pre-tax profits of around £55m from **BTR**, *which reports its preliminary* figures on Monday. This compares with £42.5m for 1978. The group will probably have lost around £4m through the engineering strike and a stoppage at its Lancashire rubber plant, but Allied Polymers in Australia has performed well and acquisitions will have made a useful contribution. In particular, the U.S. Worcester Controls business, which was not in for the whole of 1978, should have boosted last *year's figures. The balance* sheet may well show a reduction in borrowings so interest *charges will have been* contained despite the reduction in rates.

Brooke Bond Liebig, packers and distributors of tea, coffee and meat, is due to announce first-half profits on Monday. The company has already reported that trading in the first four months was about level with the previous comparable period but this excludes the impact of a first-time contribution from Bushells in Australia, which is *thought* to be trading at an annual rate of about £5m. Generally though, overseas profits are expected to lower, mainly because of the effect of *flat tea prices on the plantation* interests, but this will be offset by a better performance in the UK. *Analysts'* forecasts range from about £17.5m to £19m, although at least one is expecting £20m, against £17.98m last *time*. There is some caution about the second half.

Other results to note are interims from **Barratt Developments**, and preliminaries from **Smith and Nephew Associated Companies**, **Dickenson Robinson Grou**, **Hepworth Ceramic**, **Lex Service Group**, **Philips Lamp Holdings** and **Tricentrol**.

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
FINAL DIVIDENDS				
Banro Consolidated Industries	Wednesday	0.47909	1.71847	0.576
Barclays Bank	Thursday	6.1341†	7.4088	8.25
Beatson, Clark	*Monday*	*2.548‡*	*4.5*	*3.0*
Boddingtons Breweries	Thursday	1.41931	1.51	1.75
British Aluminium (The)	Wednesday	5.0	7.5	5.5
Bronx Engineering Holdings	Thursday	0.44	1.3154	0.52
BTR	Monday	3.66667	3.66667	5.5
Carlton Industries	Friday	2.0	3.5	4.0
Clay (Richard)	Tuesday	1.3525‖	1.61226	1.6
Comben Group	*Tuesday*	*0.5*	*1.2*	*1.2*
Dickinson Robinson Group (The)	Wednesday	2.808	5.008	3.0
Fairclough Construction Group	Tuesday	1.5	2.0	1.65
Fila Forge (The)	Thursday	0.8	1.694	0.8
Fisher (James) and Sons	Monday	0.581135§	0.562	1.5
Gibbs and Dandy	Friday	—	1.0	—
Hall Engineering (Holdings)	Wednesday	2.5045n	2.471	3.1
Hepworth Ceramic Holdings	*Thursday*	*1.77652*	*1.935*	*2.25*
Hewitt (J.) and Son (Fenton)	Friday	—	0.25552	—
House of Lerose	Wednesday	1.83	2.5483	1.83
Inveresk Group	Tuesday	1.417	1.417	1.0
Invergordon Distillers (Holdings)	Monday	0.7	1.14	1.5
Jacobs (John I.)	Wednesday	0.55	1.35	0.6
Jamesons Chocolates	Thursday	0.875	2.759	1.0
Lex Service Group	Thursday	1.8	2.7	2.8
Liverpool Daily Post and Echo (The)	Thursday	3.081m	6.098	3.462
London and Manchester Assurance	Wednesday	2.78804	4.46915	3.15
Mackay (Hugh)	*Wednesday*	1.4	2.22	1.4
Manor National Group Motors	Wednesday	—	0.87	1.0
McCleery L'Amie Group	Tuesday	0.2	0.3	0.2
Metal Closures Group	Wednesday	1.9	2.8052	2.2
Molins	Wednesday	2.2	5.698	2.2
Montague Boston Investment Trust	Monday	—	0.875	—
Pittard Group	Monday	1.25L	1.87075	1.375
Reylon PBWS	*Monday*	1.75	2.8232	2.25
Sharpe and Fisher	Thursday	0.42	0.9705b	0.5
Smith and Nephew Assoc. Co's	Tuesday	0.335c	1.7802	1.25
Spencer (George)	Tuesday	0.761	1.99068	0.8
Steetley Company (The)	Thursday	2.79d	4.47264	4.0
Stone-Platt Industries	Thursday	2.72531e	1.33	1.4
Yate of Leeds	Thursday	—	1.25	—
Tilling (Thomas)	*Wednesday*	2.2	2.618	3.0
Trade Indemnity	Tuesday	1.77171f	2.95781	2.0
Tricentrol	Thursday	0.8375	0.8375	2.8
Tube Investments	Wednesday	11.143	12.421	12.5
Turner (W. and E.)	Wednesday	0.4124h	1.0	0.8
Vosper	Wednesday	2.5	2.6912	2.6
Ward White Group	Tuesday	0.89333	1.78667	1.4p
Waterford Glass	Tuesday	0.5	0.699	0.6
Watmoughs (Holdings)	Tuesday	0.9	2.14005	1.3
Weir Group (The)	Wednesday	1.8634	3.8599	1.8634
Wilkes (James)	Thursday	1.5	2.625	1.5
Williams and James (Engineers)	Friday	1.1055	2.589	1.155
Winston Estates	Thursday	0.51555j	0.92125	0.7
INTERIM DIVIDENDS				
Armstrong Equipment	Wednesday	0.88	1.72	
Barratt Developments	Monday	2.90965k	7.355	
Bejam Group	Wednesday	*0.5775*	1.05	
Bridport-Gundry (Holdings)	Friday	0.99	1.42	
Brooke Bond Liebig	Tuesday	0.915	2.635	
Capseals	Thursday	0.988	2.032	
City of Aberdeen Land Assoc. (The)	Thursday	2.5	5.75	
Cope Allman International	Thursday	1.7	2.8	
Downing (G. H.)	Tuesday	2.75	5.0	
Green (R.) Properties	*Monday*	0.605	1.27	
Lawtex	Tuesday	1.65	1.9125	
London Scottish Finance Corporation	Tuesday	0.4575	1.305	
Medminster	*Wednesday*	*1.0*	1.25	
Mills and Allen International	Thursday	2.72727	8.18182	
Photo-Me International	Thursday	2.211	7.239	
Pifco Holdings	Friday	0.95	3.05	
Pressac Holdings	Thursday	0.5084	1.4916	
Second City Properties	Thursday	0.5628	1.451	
Stothert and Pitt	Monday	2.65	8.41	
Strong and Fisher (Holdings)	*Tuesday*	2.08	4.0	
Thorpe (F. W.)	Thursday	0.725	1.5	
Trafford Park Estates	Wednesday	1.95183	3.0	
Walker (J.) Goldsmith and Silversmith	*Wednesday*	*0.83333*	*2.08333*	
Waring and Gillow	Tuesday	1.08677	4.0	
Wolseley Hughes	Thursday	3.6603	6.7642	
INTERIM FIGURES				
Barry Trust (The)	Friday			

* Dividends shown net pence per share and adjusted for any intervening scrip issue. The following are the *compensating dividends included to allow for* the change in tax rate: † 0.0841. ‡ 0.048. ¶ 0.0193. ‖ 0.0225. § 0.0117. a 0.02652. b 0.2. c 0.0245. d 0.059879. e 0.02015. f 0.08072. g 0.168. h 0.0124. j 0.0130495. L 0.0253025. m 0.069. n 0.0335. k Includes special *interim of 0.0098494*. p Includes *compensating dividend of 0.08 due to change in tax rate.*

هكذا من الأجمل

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

Only three weeks after accepting an offer from German oil group Deminex, the directors of North Sea exploration concern Viking Oil have withdrawn their recommendation in favour of a rival offer from Sun, the 11th largest American oil group. The latter's terms are on a similar basis to the Deminex offer and consist of 400p cash per share plus a royalty unit, the value of which depends on the level of production. Viking's Board states, however, that any higher offer would carry their recommendation, and Deminex is believed to be preparing an increase to its offer of 300p per share plus royalties.

Reed International has announced the terms of its offer for the shares of London and Provincial Poster it does not already own. The bid consists of 500p cash per share for the outstanding 52 per cent. This represents a substantial premium over the price when dealings in the shares were suspended at 287p on February 29. London and Provincial's directors who control 2.02 per cent of the company, have accepted the bid and advise other shareholders to do likewise.

High Street men's clothiers J. Hepworth has made an agreed bid for Leicester-based shoe and accessory retailers W. and E. Turner. The latter owns 140 branches, mainly centred in the Midlands and Wales, and the offer of 87½p cash per share, which values the company at around £9m, has been irrevocably accepted by Turner's directors and associates in respect of 52.1 per cent of the equity.

Midland Bank is to sell off the non-sterling traveller's cheque operations of its Thomas Cook subsidiary to a consortium of Western European banks in a move to set up a Euro-cheque business to fight the dominance of American Express in a highly-competitive market. Midland will receive £16.4m in a cash and share package to be paid in instalments and will eventually hold a 20 per cent stake in a new holding company based in the old Thomas Cook headquarters in Peterborough.

In an active week for large deals, Mr. Graham Ferguson Lacey, through his oil and fuel group National Carbonising, has acquired a near-26 per cent stake in Hampton Gold Mining Areas for a total consideration of £4.43m from Australian investment concern Bond Corporation. Hampton no longer actually mines for gold but has extensive nickel interests in Australia and is currently involved in North Sea oil exploration.

News International, Mr. Rupert Murdoch's publishing combine, has disposed of its 25 per cent holding in the non-voting shares of LWT for £4.84m or around 119p per share, to various institutions.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder	Final Acc't'ce date
	Prices in pence unless otherwise indicated.					
Bowring (C. T.)	163§§	130	141	178.4	Marsh and McLennan	—
CompAir	105§§	97½	95½	58.09	I. C. Gas	—
Cray Elect.	31*§	37	35††	0.93	Thrgmrtn. Tst.	—
Decca	621	610	355	44.88	Racal Electronics	—
Decca 'A'	518	510	320	60.00	Racal Electronics	—
Delson	55	53	31††	1.37	McKechnie Bros.	—
Doloi Tea	270*	280	215	0.29	Tategold	—
Furness Withy	360*	385	332	96.49	C. Y. Tung	—
Hendersn.-Kenton	224§§†	212	118	14.36	Harris Queensway	—
Hoffnung (S.)	80*	83½	74½	14.10	Burns Philp	—
Lond. & Prvncl. Poster	500*§	478	287††	9.12	Reed Intl.	—
Morgan Edwards	118§§	120	123	4.09	Edwrds. (L C)	—
Nationwide Leisure	6*§	8	9	0.66	Rantlodge	—
Norrington (H.)	21*	22½	16††	0.80	Burgess (F H)	—
Norwest Holst	145§	136	118††	5.67	Wexcourt	—
Polly Peck¶¶	9*	18½	7½	0.47	Restro Inv.	31/3
Royco	50*	42	41	5.00	Bonnerpark	—
Serk-	77½*	70½	74½	32.95	Rockwell	—
Turner (W. E.)	87½*	82	48††	9.07	J. Hepworth	—
Viking Oil	300*★	£10½	810	—	Deminex	—
Viking Oil	400*★	£10½	910††	—	Sun Co.	—
Wardle (B.)	33*§	30	28½	4.15	Ferguson Invs.	—
West of England Trust	109½	100	76††	17.58	Globe Invest. Trust	—

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Combined market capitalisation. || Date on which scheme is expected to become operative. ** Based on 14/3/80. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¶¶ Unconditional. ★ Plus royalties.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Armitage (G.)	Dec.	1,270	(1,520)	56.9	(42.6)	7.5	(7.5)
Bibby (J.)	Dec.	9,710	(8,400)	32.7	(25.8)	6.25	(3.26)
BP	Dec.	1,620.9¶	(444.4)¶	104.8||	(28.7)||	17.5	(6.36)
BSR	Jan.	3,883	(15,171)	3.7	(10.0)	2.83	(5.33)
Cdbry. Schweppes	Dec.	57,300	(48,200)	14.7	(11.6)	3.85	(3.4)
Clark (T.)	Dec.	476	(357)	3.4	(2.3)	1.4	(0.96)
Cornell Dresses	Dec.	100	(128)	2.5	(2.6)	0.8	(0.8)
East Lancs. Paper	Dec.	1,610	(1,460)	21.1	(16.3)	4.79	(3.69)
Farmer (S. W.)	Dec.	1,192	(1,085)	25.4	(22.4)	9.17	(8.3)
Harris & Sheldon	Dec.	4,520	(4,040)	7.5	(6.6)	3.0	(2.21)
Hunting Gate	July	937	(591)	—	(—)	—	(—)
Jhnsn. Cleaners	Dec.	4,040	(3,340)	27.8	(21.2)	6.2	(5.06)
Lambert Howarth	Dec.	724	(645)	12.6	(10.6)	4.06	(3.5)
Lunuva (Ceylon)	Dec.†	222	(153)	17.1	(11.1)	17.0	(10.0)
Montford Knitting	Dec.	910	(528)	26.0	(15.2)	7.0	(3.93)
Needlers	Dec.†	361	(417)	16.7	(18.8)	2.5	(2.01)
Neil & Spencer	Nov.	1,740	(1,030)	10.3	(7.9)	3.5	(2.33)
Newey	Dec.	243	(396)L	8.2	(—)	—	(—)
Nu-Swift	Dec.	1,060	(884)	3.1	(2.9)	2.05	(1.75)
Pentos	Dec.	4,078	(4,011)	9.8	(9.8)	4.03	(2.51)
Rea Brothers	Dec.	601‡	(451)‡	6.5	(4.9)	2.0	(1.65)
Refuge Assurance	Dec.	2,480a	(2,050)a	11.9	(10.0)	10.6	(9.2)
Robinson (Thos.)	Dec.	1,200	(1,100)	14.2	(15.7)	4.82	(3.78)
Rolls-Royce Mtrs.	Dec.	7,145	(14,634)	8.6	(19.7)	5.47	(5.37)
Sale Tilney	Nov.	2,182	(1,841)	38.7	(23.6)	6.75	(5.63)
Schroders	Dec.	6,600b	(4,940)b	84.5	(63.2)	17.0	(13.21)
Sedgwick Forbes	Dec.	47,465	(50,915)	11.4	(10.7)	5.0	(2.68)
TDG	Dec.	22,260	(19,790)	10.8	(10.3)	4.25	(3.6)
Turner & Newall	Dec.	27,500	(39,700)	6.3	(17.4)	11.5	(11.5)
Ultramar	Dec.	75,400	(37,700)	99.3	(15.3)	15.0	(—)§
United Biscuits	Dec.	43,700	(42,200)	10.2	(10.9)	3.7	(3.01)
Woodward (H.)	Sept.	431	(556)	11.2	(19.6)	2.2	(2.07)
Woolworth (F.W.)	Dec.	57,250	(53,100)	11.0	(10.7)	4.92	(4.47)

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Ductile Steels	Dec.	2,370	(2,050)	2.12	(2.12)
Findhorn Finance	Jan.	103	(74)	5.5	(5.0)
HTV	Jan.	1,210	(2,450)	3.5	(3.5)
Jarvis (J.) & Sons	Sept.	145	(102)	5.5	(4.9)
Mngnese. Bronze	Jan.	155	(322)	—	(—)
Maynards	Dec.	1,650	(1,210)	1.86	(1.69)
Nelson David	Sept.	84	(48)	—	(—)
Parker Knoll	Jan.	2,060	(1,000)	2.5	(0.73)
Stocks (Joseph)	Sept.	382	(268)	1.0	(0.36)
UCM	Dec.	2,050	(1,970)	0.6	(0.39)

(Figures in parentheses are for corresponding period.)
Dividends shown net except where otherwise stated.
* Adjusted for any intervening scrip issue. † Corrected. ‡ Profits after all charges. ¶ Net income of group in £m. || Net income per share. § Scrip issue in lieu of dividend. a Profits after tax. b Attributable profits. L Loss.

Scrip Issues

Rea Brothers: One for three.

Schroders: One for one.

Offers for sale, placings and introductions

Tisbury Brewery Company: Offer for subscription of 125,000 ordinary shares of £1 each at £1.05p per share raising £131,250.

Rights Issues

United Biscuits: Rights issue on the basis of one for five at 68p per share raising £34.5m.

BIDS AND DEALS

Viking gets another approach

THE BATTLE for Viking Oil, the North Sea exploration group, hotted up yesterday on the news that a third bidder had made an approach which may lead to an offer for the Viking capital.

Hunt International Petroleum Company (United Kingdom)—a Delaware registered company—announced proposed terms of 450p per Viking share, plus a Royalty stock on essentially the same terms as those put up by the Sun Company earlier this week.

Sun, the 11th largest U.S. oil group, which claims to have irrevocable acceptances of 30 per cent in respect of its offer, had pitched its bid at 400p (plus Royalty stock), topping the first offer from Deminex, the major German oil group, by £1 per share.

The Viking board and its advisers, British Linen Bank, had originally agreed to the Deminex offer but subsequently withdrew it in favour of the Sun offer. Morgan Grenfell, advising Sun, owns 2 per cent of Viking in its own right and around 20 per cent is owned by funds controlled by Ivory and Sime. The board's interest amounts to another 1 per cent.

A condition of the Hunt offer is that "no third party shall have made or announced its intention to make an acquisition of all, or of not less than a majority of the Viking shares, or an offer to merge or consolidate with Viking, in either case at a higher price or prices than the offer."

Viking said that pending clarification of the approach the board was considering what action to take and would make a further announcement as soon as possible.

Viking's shares rose by 37½p in the market yesterday to £10.50 giving the company a market capitalisation of £26.2m.

ASSOCIATE DEAL

Laurence Prust and Co., brokers to S. Hoffnung, has bought 50,000 S. Hoffnung ordinary at 83p on behalf of a discretionary investment client.

Asset value key to Hoffnung's defence

BY RAY MAUGHAN

S. Hoffnung has come out with a detailed defence against the £15.9m cash offer from Burns Philp, an Australian conglomerate, in which profits for the financial year which ends this month are forecast to fall from £1.84m to £750,000 pre-tax, compared with a recent peak of £4.53m.

The Hoffnung share price wavered in the face of this apparent setback yesterday before adding 1p to close at 84½p. Arguably the most potent defence against Burns Philp's 80p per share cash offer, however, is a property revaluation to show net worth, taking a conversion rate of A$2.03 to the pound, of 125p per share.

Based in the UK, Hoffnung, is now preparing a change of domicile to Australia. The board cannot say exactly when the move will be implemented, but outside Australian executives are now being appointed to the main board. Mr. John Studdy is to become chairman of the group's Australian activities from April 1, and Mr. Paul Simons will also join the board. The current main board chairman, Mr. H. Roland Bourne, retires at the financial year end.

The profit forecast, Hoffnung tells shareholders, has been prepared on a conservative basis. Capital and revenue losses suffered last year in the wholesale division, now closed, have not been separated and a £540,000 deficit against the Sydney and Brisbane warehouses has been charged above the line. An extraordinary credit of £222,000 on the disposal of the wholesale self serve grocery business has been excluded, however, and Hoffnung has conformed to new UK accounting practice in depreciating properties by £135,000.

The forecast takes in an operating loss of £340,000 from the British G and M Power Plant subsidiary but no allowance for the expected £350,000 provision required to write down slow moving stocks.

Hoffnung estimates that redeployment of wholesaling assets will release around £1.13m of working capital which would earn at least £490,000 on deposit.

"Considerable benefits" are expected to accrue from recent rationalisation and Mr. Bourne advises shareholders that if Burns Philp "were to succeed in buying our assets on the cheap its shareholders would reap the benefit of our future growth and strong asset position, a benefit that I believe should accrue to us, the Hoffnung shareholders."

TI sells 15% stake in Tubemakers

TUBE INVESTMENTS, the engineering conglomerate, has disposed of its 15 per cent stake in Tubemakers of Australia in a deal worth $A18m (£8.9m).

Most of the shares were sold to Australian institutions. Broken Hill Proprietary, the steel, oil and minerals group, which already held 43.75 per cent of Tubemakers, has raised its stake to 46.75 per cent.

Following TI's sale the Australian ownership of Tubemakers, which was granted "naturalised" status last year, has risen to 71.25 per cent. TI has been associated with Tubemakers since its formation.

The Australian Government grants "naturalised" status where a home based company has committed itself to achieving 51 per cent domestic ownership. This brings tax and development benefits.

HAWLEY LEISURE

Hawley Leisure has agreed to purchase the whole of the issued share capital of Hudson Brothers (Nottingham), a privately-owned company engaged in the rental of coin-controlled amusement machines, subject to a satisfactory financial investigation.

The total consideration of £400,000 will be satisfied by the issue of 604,708 fully paid 5p ordinary shares in Hawley (at an agreed price of 42.5p per share) and £43,000 in cash at completion. The balance of £100,000 is to be paid in cash in April, 1981.

Hudson's profits before and after taxation for the year ended November 30, 1979, were £68,447 on sales of £507,101. Net assets at that date amounted to £201,901.

MINING NEWS

Maiden payout from Unisel

UNISEL GOLD, the new Orange Free State producer in the Union Corporation group, yesterday declared a maiden dividend of 40 cents (22.27p). The mine started trial stoping a year ago and officially began production last October.

The mine came on stream just as the bullion price was rising and this has clearly enabled a declaration well at the upper end of market estimates. But dividend policy will be conservative. The Unisel directors propose to hold back half of the funds available for distribution in order to repay loans.

APPOINTMENTS

Guinness Peat chemicals chief executive

Mr. A. C. Allen

Mr. A. C. Allen, a former main board director with Fisons, has been appointed chief executive of LEWIS AND PEAT CHEMICALS LIMITED, a subsidiary of Guinness Peat Group. He joins the company on Monday.

★

Mr. R. G. Handley, group secretary of REXMORE, and Mr. H. R. Ross, managing director of J. Rosenthal and Sons, a subsidiary, have joined the main board of Rexmore. Mr. Max Rosenblatt has retired and emigrated to California, U.S.

★

Devitt Langton and Dawnay Day announces the formation, in conjunction with the Central Council of Physical Recreation, of the CCPR SPORTS INSURANCE BUREAU with the following directors: Mr. A. A. F. Lumsden, Sir Denis Follows, Mr. P. Lawson, Miss Lucinda Prior-Palmer, Mr. P. R. Lawrence, Mr. A. S. Everitt, Mr. R. C. Hudson, Mr. J. Taylor and Mr. G. F. Bowley.

★

Mr. Edward J. J. Walsh has become a director of FREEDMAN AND MATZ (TIMBER PRODUCTS), a subsidiary of Fobel International.

★

Mr. Donald Tyerman retires from the board of UNITED CITY MERCHANTS at the end of this month.

★

Mr. Scotford Lawrence, at present managing director of Reifenhauser UK, is to join BETOL MACHINERY in April and will become managing director when Mr. Herbert Lester retires from that position on May 31. Mr. Lester is to be a consultant to Betol's parent company, Deacon Industrial Group. Mr. R. G. Sheppard has joined Betol as sales and marketing director. He was previously UK sales director of Bone Cravens Daniels.

★

Mr. Clive Williams, managing director of LESLIE AND GODWIN (UK) is to take over responsibility for the Frank B. Hall London office, reporting to Mr. Derek Brodrick, UK servicing director.

★

Professor H. B. Whittington, Woodwardian Professor and Head of the Department of Geologoy, University of Cambridge, has been appointed a trustee of the BRITISH MUSEUM (NATURAL HISTORY) in succession to Dr. A. Williams, whose term of office expired on December 31, 1979.

★

Mr. Chung-Chin Cho has been appointed general manager of the CHO-HEUNG BANK, London branch, to succeed Mr. Do-Jip Kim, who is returning to Korea to take up a new assignment in the international division of the bank.

★

Mr. Donald Smith has been elected president of LEASCO EUROPA, of Maidenhead, England, from April 1. He succeeds Mr. David C. Woodward, who has been named president of Commonwealth Land Title Insurance Company of Philadelphia, a subsidiary of Reliance Group, Incorporated in New York City. Leasco Europa is the European member of Leasco Corporation, of the U.S.

★

Mr. Roger Rowland has been appointed a director of the MORGAN CRUCIBLE COMPANY.

★

Mr. W. M. Adams has been appointed manager of the Eastbourne office of LAING AND CRUICKSHANK, stockbrokers.

★

Mr. R. A. Laird will be joining NORTHCOTE AND CO., stockbrokers, as an associate member from March 25.

★

NOVO INDUSTRI A/S has appointed Professor Ulrik V. Lassen a member of corporate management, responsible for the R and D division, from April 1.

★

Mr. R. A. Noakes, previously marketing controller, and Mr. N. C. Marshall, who was Midland Bank group representative in Australia, have been appointed assistant general managers at MIDLAND BANK INTERNATIONAL.

★

Mr. Brian Robinson, formerly financial director of WOLF ELECTRIC TOOLS LTD. has been appointed managing director of that company in place of Mr. Noel Scottorn, who retains his position as managing director of Wolf Electric Tools (Holdings).

★

Mr. R. Scholey has been appointed a director of BRIDON. Mr. D. G. S. Waterstone has resigned from the Board.

★

Mr. Kevin Corcoran (managing director of Associated Engineering, Aftermarket Sub-Group) succeeds Mr. H. M. Good, joint managing director of Ferodo, as chairman of the BRITISH AUTOMOTIVE PARTS PROMOTION COUNCIL. Vice chairman of the Council is Mr. Jerry Clancy, GKN's director of Aftermarket operations.

UNIT TRUST AND INSURANCE OFFERS

CORAL INDEX: Close 437-442 (−7)

WORLD STOCK MARKETS

Awaiting Carter's message

WALL STREET was broadly lower in moderate trading yesterday as investors awaited President Carter's anti-inflation message, due after the close.

After opening down another 5.12 to 804.44, the Dow Jones Industrial Average rallied to 809.90 by 1 pm, for a net gain of 0.34m on the day although still off 10.66 on the week. Analysts said Margin Accounts appeared to be sellers in the face of the rising cost of buying stock on credit while Institutional bargain hunting held Blue Chips steady.

Closing prices for North America were not available for this edition.

The NYSE All Common Index, at $59.94, shed 26 cents on the day and $1.02m on the week, while declines paced advances three-to-one on a turnover of 25.33m (22.84m) shares.

The Prime Rate edged higher again. Citicorp and many others raised their key rates to 18½ per cent from 17¾ per cent, leapfrogging the 18¼ per cent level set Thursday by some banks.

Oils and Metals were weak but Blue Chips, Retail and some Drug stocks added fractions.

Volume leader Gulf Oil lost $1⅞ to $43⅞. Freeport Minerals $2¼ to $57.... Phillips Petroleum $1¼ to $49½, Moril $1⅜ to $74¾ and Transco $1 to $39.

Louisiana Land dropped $⅞ to $42¾—it will abandon a Louisiana well due to technical problems.

U.S. Steel, which said it plans to sell some assets, lost $⅝ to $18⅛. Alcoa dipped $1¼ to $59⅛—it will ask shareholders to approve an increase in authorised Common to 150m shares from 50m.

Asarco dropped $1⅞ to $37½, Phelps Dodge $¾ to $32¾, Engelhard Minerals $1⅞ to $27, Hecla Mining $2¼ to $31½, and Rosario Resources $2¼ to $61⅞. Homestake, however, added $⅞ at $49¼.

THE AMERICAN SE Market Value Index fell 3.29 to 262.82, making a loss of 14.68 on the week.

Metal and Mining shares were weak. Volume leader Atlas Consolidated "B" dipped $⅜ to $5¼ and Day Mines $2⅜ to $28½.

Active Syntex eased $⅞ to $34½—it has been weak since a Congressional Committee recommended the Justice Department bring criminal charges relating to infant formula.

Canada

Rising North American interest rates and awaited details of the U.S. inflation-fighting policy kept prices steeply lower in moderate noon trading.

The Toronto Composite Index plunged 31.1 to 1,935.7 as all 14 indices declined. The Oil and Gas Index dropped 95.9 to 4,366.7, Metals and Minerals 41.4 to 1978.3 and Golds 89.9 to 2,949.9.

Tokyo

Lower in light trading as investors apparently refrained from active buying before President Carter's scheduled announcement of Anti-Inflation Measures.

Investors were actively selling "giant" capitalisation stocks and Blue Chips, reacting to credit-tightening moves in the U.S. and Japan, brokers commented.

Most Steels and Shipbuildings sagged under heavy selling pressures. Precision Machineries, Light Electricals and Drugs eased.

The Dow Index at one time declined more than 50 points but it rallied somewhat towards the close with the advance of Oils and some other Energy stocks supported by speculative buying.

Machineries, Motors, and Non-Ferrous Metals also came under selling pressure.

Paris

French and Foreign shares closed 1 per cent below their Thursday's levels on average in relatively light volume. Investors remained discouraged by the overnight weakness on Wall Street, itself linked to upward-spiralling U.S. interest rates.

Declines topped gains by 5-to-1 in the French section, with Chemicals under heavy selling pressure. The heaviest losers were Silas, Pompey and Skis Rossignol, which were each marked down 6 per cent.

Cit-Alcatel fell FFr 1, despite announcing it had won a Frs 400m contract to modernise the Irish telephone system.

CSF (Thomson) lost FFr 15.5 to 473—it is studying the takeover of the medical equipment firm Cie Generale de Radiologie.

Rising in contrast to the general trend were Kleber, which jumped 7 per cent for no immediately discerning reason.

Americans closed only fractionally lower, and there was some demand for Merck. Other sectors were weak, especially Gold Mines, which were off 6 per cent on average, reflecting the weakness of bullion prices.

Germany

Most leading shares easier in active trading.

Linde rose DM 1.50 in Engineerings against the general trend. Preussag retreated DM 3.80 in Raw Materials.

Motors were narrowly mixed.

Public Authority Bonds eased, while the Regulating Authorities bought a nominal DM 1.8m worth of stock. Mark Foreign Loans steadied.

Australia

Markets took another downward lurch, reflecting further sharp falls in the prices of Gold, Silver and Base Metals on world markets.

Resistance levels were swept aside as stop-loss orders were activated. BHP tried to make a stand at $A12.25 dipped to A$12.15, off 40 cents. CSR lost 38 cents to A$5.

Golds fell, followed by Coppers. In Diamonds, Ashton dropped 30 cents but Leichardt finished up 80 cents.

Energy stocks were well down, while Coals came in for some light selling.

Switzerland

Swiss stocks continued to weaken, affected by the strong dollar performance, higher U.S. interest rates and higher Euro-Swiss franc rates.

Volume was moderate. Foreign investors were on the selling side, while the market lacked buyers.

News that Switzerland had recorded a record monthly trade deficit of Frs 1.107bn in February had not reached the market during the session.

Foreign issues were mixed in brisk trading. U.S. issues traded mainly below Thursday's Wall Street levels.

Hong Kong

Sharply lower across the board in active trading, despite an early afternoon rally that lifted some stocks from the day's lows.

The market had closed the morning session down 38.16 following panic selling as market nervousness increased over a probe by the Independent Commission Against Corruption (ICAC) involving Public Works Department officials and Construction Industry figures.

Singapore

Lower for the sixth straight session, but a late rally raised hopes for higher prices next week. The Straits Times Industrial Index finished 4.12 off at 457.31, after having been 1[illegible] points lower.

Johannesburg

Most sectors dropped, giving the impression that the boom of the past few months is over for the time being.

Golds were marked down by as much as 275 cents, while Coppers, Platinums, Tins and Asbestos shares were also easier. Industrials were mostly softer in hesitant trading. Falls were cushioned, however, by the further depreciation of the Financial Rand, which slid to 89.5 U.S. cents, a 9 per cent drop in the past week.

The weak Gold Market was mainly the result of the lower bullion price ahead of President Carter's Anti-Inflation Measures.

Spanish prices, Page 18

Indices

NEW YORK—DOW JONES

	Mar. 13	Mar. 12	Mar. 11	Mar. 10	Mar. 7	Mar. 6	1979-80 High	1979-80 Low	Since Cmpil't'n High	Since Cmpil't'n Low
● Industr'ls	809.56	819.54	826.45	818.94	820.56	828.07	903.84 (13/2/80)	796.67 (7/11)	1051.70 (11/73)	41.22 (2/7/32)
H'me B'nds	64.41	64.52	64.48	64.16	64.24	64.08	(66.10) (15/8)	64.08 (6/3/80)	—	—
Transport.	265.16	265.58	271.55	271.13	272.84	277.09	305.80 (8/2/80)	205.78 (27/2)	305.80 (8/2/80)	12.23 (8/7/32)
Utilities	103.21	103.38	104.57	104.16	103.42	104.80	113.46 (15/2/80)	98.24 (24/10)	163.32 (20/4/69)	10.52 (28/4/42)
Trading Vol 000's†	33,070	37,990	41,350	43,760	50,950	49,610	—	—	—	—

●Day's high 825.26 low 806.57

	Mar. 7	Feb. 29	Feb. 22	Year ago (approx)
Ind. div. yield %	6.00	6.02	5.97	5.87

STANDARD AND POORS

	Mar. 13	Mar. 12	Mar. 11	Mar. 10	Mar. 7	Mar. 6	1979-80 High	1979-80 Low	Since Cmpil't'n High	Since Cmpil't'n Low
‡Indust'ls	118.84	121.48	122.47	121.08	121.58	123.77	134.47 (13/2/80)	107.89 (27/2)	134.64 (11/1/73)	3.52 (30/6/32)
§Composite	106.62	106.92	107.78	108.51	106.90	108.65	118.44 (13/2/80)	96.13 (27/2)	125.85 (11/1/73)	4.40 (1/6/32)

	Mar. 12	Mar. 5	Feb. 27	Year ago (approx)
Ind. div. yield %	5.37	5.14	5.07	5.11
Ind. P/E Ratio	7.56	7.95	8.04	8.44
Long Gov. Bond Yield	12.29	12.32	12.61	9.02

N.Y.S.E. ALL COMMON

Mar. 13	Mar. 12	Mar. 11	Mar. 10	1979-80 High	1979-80 Low
60.20	60.86	61.33	60.59	67.77 (13/2/80)	53.88 (27/3)

Rises and Falls

	Mar. 13	Mar. 12	Mar. 11
Issues Traded	1,868	1,877	1,905
Rises	496	535	1,074
Falls	942	953	490
Unchanged	430	389	339
New Highs	2	2	3
New Lows	164	138	164

MONTREAL

	Mar. 13	Mar. 12	Mar. 11	Mar. 10	1979-80 High	1979-80 Low
Industrial	378.95	385.67	388.34	381.18	423.80 (29/2/80)	219.19 (2/1)
Combined	345.68	348.21	350.87	346.06	379.90 (29/2/80)	225.88 (2/1)
TORONTO Composite	1966.8	1996.3	2005.1	1974.6	2192.6 (29/2/80)	1315.8 (2/1)

World indices

	Mar. 14	Mar. 13	Mar. 12	Mar. 11	1979-80 High	1979-80 Low
AUSTRALIA						
Sydney All Ord. (1/1/80)	795.45	814.01	824.50	822.70	847.47 (14/2/80)	545.72 (2/1/79)
Metals &Minls (1/1/80)	4943.95	5160.93	5295.43	5258.55	6680.95 (14/2/80)	2587.34 (2/1/79)
AUSTRIA						
Credit Aktien (2/1/62)	69.00	68.73	68.44	68.71	69.40 (7/1/80)	61.53 (2/3/79)
BELGIUM						
Belgian SE (31/12/63)	93.72	94.14	94.73	94.79	109.47 (5/10)	93.72 (14/3/80)
DENMARK						
Copenhagen SE (1/1/73)	75.43	75.13	75.18	75.75	97.48 (25/7)	74.78 (5/3/80)
FRANCE						
CAC General (29/12/61)	104.80	107.0	108.2	108.5	119.2 (14/2/80)	82.4 (16/2/79)
Ind Tendance (29/12/79)	100.40	101.4	102.8	102.8	109.7 (15/2/80)	95.8 (3/1/80)
GERMANY						
FAZ-Aktien (31/12/58)	225.25	225.35	225.21	225.18	265.99 (16/1/79)	218.11 (21/1/80)
Commerzbank(Dec.1953)	704.60	707.3	708.3	702.5	859.60 (16/1/79)	688.3 (21/1/80)
HOLLAND						
ANP-CBS General (1970)	76.30	79.7	80.1	79.5	94.2 (24/1/79)	76.30 (14/3/80)
ANP-CBS Indust. (1970)	61.40	62.4	62.8	62.3	86.9 (24/1/79)	61.40 (14/3/80)
HONG KONG						
Hang Seng Bank(31/7/64)	787.45	800.98	835.55	852.86	983.17 (15/2/80)	495.85 (2/1/79)
ITALY						
Banca Comm. Ital (1972)	92.65	93.42	92.54	92.81	95.31 (25/2/80)	68.38 (2/1/79)
JAPAN						
Dow Average (16/5/49)	6583.40	6604.59	6609.48	6565.87	6858.98 (14/2/80)	5825.87 (10/4)
Tokyo New SE (4/1/68)	453.23	454.41	454.58	450.61	472.65 (14/2/80)	435.15 (13.7)
NORWAY						
Oslo SE (1/1/72)	125.78	124.77	122.36	124.68	144.70 (14/2/80)	74.45 (16/1/79)
SINGAPORE						
Straits Times (1966)	457.31	461.46	471.42	471.89	504.11 (6/3/80)	348.34 (23/2/79)
SOUTH AFRICA						
Gold (1958)	—	546.0	543.3	527.4	694.3 (6/3/80)	228.40 (17/4)
Industrial (1958)	—	501.2	500.3	501.9	517.2 (14/2/80)	270.50 (2/1/79)
SPAIN						
Madrid SE (29/12/78)	101.76	101.36	101.46	101.62	103.26 (21/2/80)	88.31 (15/1/80)
SWEDEN						
Jacobson & P. (1/1/58)	374.20	376.00	374.87	374.42	401.34 (8/2/79)	331.37 (24/9)
SWITZERLAND						
Swiss Bank Cp. (31/12/58)	290.20	292.6	293.4	293.3	323.18 (2/5)	290.20 (14/3/80)
WORLD						
Capital Intl. (1/1/70)	—	129.0	129.9	130.0	143.3 (13/2/80)	122.2 (1/3/78)

Base values of all indices are 100 except NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the last named based on 1975. † Excluding bonds. ‡ 400 Industrials. § 400 Industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

NEW YORK ACTIVE STOCKS

Thursday	Stocks traded	Closing price	Change on day
TRE	562,100	22½	−1⅛
IBM	559,900	60⅛	−1⅛
Texaco	498,300	36⅛	−1⅝
Mobil	476,900	76⅛	−2
TRW	405,200	42⅛	—
MGIC Invest.	358,200	18⅞	−¼
Gulf Oil	357,900	44½	−2⅛
Pepsico	298,800	20⅝	−½
Honeywell	287,400	83⅝	−3⅜
Exxon	287,000	60⅝	−¾

INTERNATIONAL COMPANIES and FINANCE

Mitsubishi Chemical earnings upsurge

By Richard C. Hanson in Tokyo

MITSUBISHI CHEMICAL Industries, Japan's largest chemical company, achieved its second highest earnings ever in the year ended January 31. Strong demand for petrochemicals at home and abroad allowed raw material price increases to be passed on to the consumer.

Net profit rose by 179.1 per cent to Y6.4bn ($26m) after a 54.8 per cent fall in the previous year. Operating profits rose 503 per cent to Y18.4bn. Although the profit figures are the best since the oil crisis of 1973, the profitability of the company is still well below the industry's average, partly as a result of heavy bank borrowing and low operating ratios in areas such as dyestuffs and fertilisers.

Mitsubishi's operating profit was only 2.8 per cent of sales compared with 4.4 per cent for the industry. Net profit was only 1 per cent of sales, compared with 2 per cent at the company's peak performance levels.

Sales last year were up 28 per cent to Y658.7bn ($2.7bn), after a 5.8 per cent fall in 1978, and are expected to climb further, to about Y800bn this year. About half the increase in sales last year, however, resulted from increases in prices. For the same reason, exports were up 31 per cent, helped by the sharp fall in the yen.

This year, in spite of continued gains in sales, it is likely that net profits will remain flat, with operating earnings down. The company will continue to benefit from savings in energy use—which last year added about Y6.5bn to profits—but other favourable features of last year, such as volume increases in production and export profits, may not show up so strongly.

Veba steps up payment as income rises strongly

BY KEVIN DONE IN FRANKFURT

VEBA, the West German energy concern and the Federal Republic's largest industrial company, has followed the pattern set by most of the world's major oil companies last year, increasing pre-tax profits by 75 per cent to DM 1.5bn ($831m) compared with DM 856m in 1978.

The group's net income showed an even larger rise, jumping by some 153 per cent to DM 471m compared with DM 186m in the previous year.

Shareholders—the group is 44 per cent State-owned—will receive an increased dividend, the company said yesterday, of DM 7.50 a share, compared with DM 6 in 1978.

Most sectors of the group's activities showed significant increases in sales, although in the oil and chemicals divisions the increased turnover resulted largely from higher prices.

Total group sales rose by 17.6 per cent to DM 36.7bn ($20.3bn) compared with DM 31.2bn in 1978.

About two thirds of Veba's group sales last year were derived from its industrial activities in oil, natural gas, chemicals, electricity supply and glass making, with the remaining third coming from its trading sector.

Sales of oil and gas rose by 13 per cent to DM 9.6bn, while the volume of crude oil processed moved up only marginally from 15.5m tonnes in 1978 to 15.17m tonnes last year.

Electricity sales showed a slightly higher rise increasing from DM 5.4bn in 1978 to DM 6.2bn last year, a rise of 14.4 per cent.

At the same time electricity production rose by 14.5 per cent to 53.2bn kwh (kilowatt hours), while output of brown coal from the company's mines showed little change at 2.6m tonnes.

Veba is expecting another satisfactory result in the current year, although there might be some weakening of demand in the oil and chemicals sectors.

Chemical sales rose by 30.5 per cent to DM 6.2bn. Sales by Veba's trading divisions totalled DM 11.5bn, a sharp rise of 20 per cent.

Electrolux tops growth target

BY WILLIAM DULLFORCE, NORDIC EDITOR, IN STOCKHOLM

ELECTROLUX, the Swedish household appliances group, yesterday reported a 1979 pre-tax profit of SKr 915m ($212m), more than SKr 60m ahead of the earnings it predicted in January, when it made its SKr 725m takeover bid for the Gränges metals and engineering company.

As it announced at that time, the board proposes to raise the dividend by SKr 1.25 to SKr 7.50 a share and to make a one-for-four bonus issue, increasing the share capital to SKr 1.2bn.

The pre-tax profit announced yesterday represents an advance of over 35 per cent on 1978, while consolidated sales, at SKr 15.14bn ($3.5bn) are up by 25.9 per cent. Companies acquired last year, notably Tappan in the U.S., added SKr 1.17bn to turnover, and contributed some SKr 70m to earnings.

The Electrolux management forecasts a further 10 per cent rise in earnings this year "provided no further serious disturbances occur in the world economy." This forecast does not include Gränges.

If acquisitions and disposals are eliminated from the 1978 figures, group sales advanced by 12 per cent and pre-tax earnings by some 26 per cent.

The return on equity is estimated to have risen from 14.7 per cent in 1978 to 16.7 per cent last year. Earnings per share, measured as the pre-tax figure less 50 per cent tax but including minority interests, come out at SKr 22.80 against SKr 17.10. Adjusted for the outstanding debenture capital the return would be SKr 20.70 a share.

The end-year balance-sheet total climbe dfrom SKr 9bn to SKr 11.2 bn and includes equity of SKr 2.44bn untaxed reserves are SKr 1.26bn.

Sharply increased dividend from AMIC

BY BERNARD SIMON IN JOHANNESBURG

ANGLO AMERICAN Industrial Corporation (AMIC), the industrial arm of the Anglo American Group, has reported a 63 per cent increase in attributable profits for 1979, reflecting the buoyancy of the South African economy.

Profits rose to R85.5m ($106m), up from R52.4m in 1978. A final dividend of 72.5 cents a share has been declared, bringing the total for the year to 105 cents, compared with 80 cents.

The group says that while all its subsidiaries, mainly involved in the manufacture of steel, mining equipment, timber products and chemicals, achieved significant profit increases last year, results were enhanced by the inclusion of a full year's profits from Mondi Paper and African Products. AMIC bought African Products from Tate and Lyle at the end of 1978.

The results of certain foreign subsidiaries of two AMIC companies have not been consolidated because of uncertainty over the recovery of profits. Those concerned are believed to be African countries.

The group's capital commitments have risen rapidly over the past year from R48.9m at the end of 1978 to R107.4m last December. The increase is accounted for mainly by expansion of production capacity by Mondi Paper and Scaw Metals.

A leading contributor to AMIC's growth this year will probably be Sigma Motor Corporation, South Africa's leading motor manufacturer. Sigma's car sales in February were almost 40 per cent higher than in the same month of 1979.

Profits before tax in 1979 were R150m ($185m), against R84.2m in 1978.

Swissair reports maintained net profit

By John Wicks in Zurich

BROADLY maintained net profits of SwFr 50m ($29m) are reported for 1979 by Swissair, which expects to produce a result "as good or slighthly better" for the current 12 months.

The airline does not anticipate spectacular growth of flight operations in 1980, according to company chairman Armin Baltensweiler.

Mr. Baltensweiler said yesterday that double-digit expansion of demand was probably a thing of the past. Operating figures for the first two months of this year were below expectations, although forward bookings were satisfactory.

A rise of some 60 per cent in fuel costs to an estimated SwFr 578m ($322.1m) is awaited for 1980, bringing the cost of fuel up to 25 per cent of total costs by the end of the year. That should just be covered by increased fares.

Efforts to diversify continue. By the end of this decade, Swissair is to raise capital and loans invested in subsidiaries and participations to some SwFr 300m ($172.4m).

Most of the new non-flight investments in the 1980s are likely to go to Swissair Touristik Beteiligungen for the creation of an international hotel chain. Negotiations are in progress with some six existing hotels, and the airline expects the chain to start operations with an initial three to four hotels next year.

The sharp rise in the oil price last year led to a further drop in Swissair's operational profits, SwFr 229m ($133.1m), the lowest point since 1975 and 6 per cent below 1978. Total income went up by 8 per cent to SwFr 2.49bn, while costs rose at 10 per cent to SwFr 2.26bn.

Since depreciation requirements were the lowest since 1973, net profits rose slightly to SwFr 50m from SwFr 49.4m. The board recommends an unchanged dividend of SwFr 35 a share on a capital increased by the exercising of conversion and warrant rights on bonds.

Income from other sources, including ground services, tax-free shops, rentals and financial earnings, reached a peak of just over SwFr 500m.

Bid for Republic National Life

BY OUR FINANCIAL STAFF

CHARTER COMPANY, the U.S. oil group that two months ago pulled out of the takeover battle for reinsurance company ERC Corporation, is on the verge of bidding for Republic National Life Insurance.

Charter has a tentative agreement to buy 35 per cent of Republic National from certain stockholders of Texas Insurance for an effective $30 a share. Such an offer would be extended to the balance of Republic National's capital valuing the company at $282m.

At December 31 last year, Republic National had total assets of $694m and insurance in force of $14.3m. Charter, which is rapidly expanding its oil activities, has interests in life assurance and publishing.

The offer for 35 per cent of Republic National consists of $5.15 a share in cash plus $24.85 in principal amount of secured promissory notes bearing interest at 11.58 per cent. Any offer to remaining shareholders would be "substantially similar."

Canada blocks U.S. offer

BY VICTOR MACKIE IN OTTAWA

CANADA'S Trade Minister Herb Gray has rejected a bid by the Detroit International Bridge Company of Sterling Heights, Michigan, to acquire control of the Canadian Transit Company of Windsor, Ontario.

This is the first announcement by Gray indicating a new, tougher approach to foreign investment by the Canadian Government—an approach that was signalled during the recent election campaign by Prime Minister Pierre Trudeau.

Canadian Transit Company is a Canadian business enterprise that owns and operates the Canadian portion of the Ambassador Bridge linking Windsor to Detroit.

"The Government," said Mr. Gray, "conclude that this proposal did not meet the test of 'significant benefits' to Canada by reference to all the factors set out in the Act."

Prime Minister Trudeau in the closing weeks of his election campaign stressed the need for greater nationalistic politics in Canada. He promised to give the Foreign Investment Review Agency more teeth and when he named his Cabinet he appointed Mr. Gray from Windsor, Ontario, as his Minister of Industry, Trade and Commerce.

U.S. Steel may sell some assets

PITTSBURGH — United States Steel Corporation may sell some assets that are not integral to its operations, Mr. David Roderick, chairman, says in the company's annual report.

The plan is to make "the best use of those assets, such as land and mineral resources, that are not an integral part of our operating facilities, whether by joint venture, sale or direct investment."

The company will not invest in a big expansion of steel capacity to meet growing U.S. demand until the profitability of the busines improves," Mr. Roderick says. "The only responsible choice is to direct discretionary capital spending in steel toward maximising return on investments already in place."

Further improvements in the company's steel operations at Gary, Indiana, South Chicago, Illinois, and Fairfield, Alabama, are expected this year. The operations are currently unprofitable.

U.S. Steel says that its capital needs and those of the domestic steel industry in the next decade will be more than double the level of the past 10 years. In the past five years, U.S. Steel has invested more than $4.3bn in its businesses.

The Government's anti-inflation guidelines are creating a serious cost-price squeeze, it is maintained.

Reuter

COMMODITIES/REVIEW OF THE WEEK

Speculative selling hits metal markets

BY OUR COMMODITIES STAFF

THERE WERE heavy losses in the metal markets this week following big speculative selling. Although prices steadied somewhat yesterday there were still considerable falls on the week.

The decline, which started on Monday, was attributed to nervous selling, mainly from the U.S. in anticipation of the anti-inflation measures to be announced by President Carter. But the rising trend in U.S. interest rates was also cited as a major influence in the downtrend. The cost of holding metals has increased considerably, tempting speculators to move elsewhere, especially as money itself is now yielding a guaranteed high return.

Although gold led the fall, there were equally spectacular falls in silver and free market platinum. The spot price of silver on the London bullion market at the morning fixing was 413.9p down on the week at 1,044.25p a troy ounce although the market rallied to 1,080p in the afternoon.

Free market platinum was very hard hit. It dropped during the week by £92.5 to £334.45 a troy ounce, over £130 below the all-time peak reached earlier this month.

On the London Metal Exchange copper prices fell heavily again. Cash wirebars closed yesterday £91 down at £1,013 a tonne after dipping below £1,000 at one stage.

Tin prices were also substantially lower on the week despite rallying strongly yesterday on forecasts of a big stocks fall. Cash tin ended £510 down £7.770 a tonne.

At the Tin Council meeting this week it was agreed to raise by 10 per cent the buffer stock price range under the International Tin Agreement. However, the new range of $M1,650 to $M2,145 a picul, compared with $M1,500 to $M1,950 previously, is still well below current market levels.

Also affected by the general disillusion with metals was aluminium, which until now was buoyed by forecasts of a shortage in the years ahead. Cash aluminium plunged by £113.5 to £773.5 a tonne on Monday but by Friday rallied to £847, only £40 down on the week.

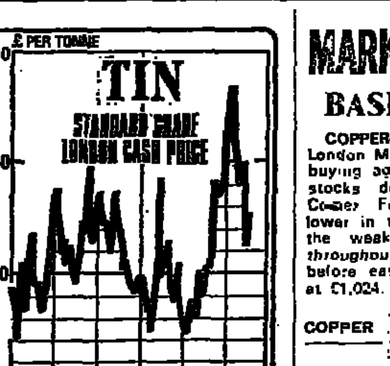
Sugar values ended sharply lower after a week of erratic price movements. Freer availability of stocks, possibly linked to the release of International Sugar Agreement reserves, was the dominant influence.

The London daily raw sugar price ended the week £35 down at £195 a tonne. On the futures market and May position lost £38.75 to £218.375 a tonne, despite a £2.625 rise yesterday.

Cocoa prices declined marginally despite Brazilian forecasts that the country's temporao cocoa crop would be down 35 per cent from last year's crop of 3.13m bags. The May position finished above the week's lows at £1,397.5 a tonne, down £9 on balance.

The market was confused early in the week when reports that Brazil had suspended cocoa exports were denied by export officials. They said Brazil was still prepared to sell cocoa but only at or above the 137 cents a pound minimum price, which they admitted was well above ruling world market levels.

Little progress was made at this week's London meeting of the International Cocoa Organisations. However further talks are to be held later this month.



WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1979/80 High	1979/80 Low
METALS					
Aluminium	£810/815	—	£710	£810/815	£710
Free Markets c.i.f.	$1,840/1,860	—195	$1,465/75	$2,190	$1,210
Antimony					
Free Market 99.6%	$3,350/3,375	—	$3,000/50	$3,362.5	$2,712.5
Copper Cash Wire Bars	£1,013	—91	£996.5	£1,372	£769
3 months Do. Do	£1,026.5	—99	£1,012.75	£1,376.5	£783.75
Cash Cathodes	£977.5	—87	£993.5	£1,316	£744
3 months Do	£1,002.5	—94	£1,008.25	£1,343.6	£767.25
Gold per oz	$530	—83.5	$244.375	$835	$216.625
Lead cash §	£496.5	—39	£583	£701.5	£434.5
3 months §	£468.5	—18.75	£541.25	£642.5	£420.75
Nickel	£3,335	—	£2,523.14	£3,335	£2,320.89
Free Market c.i.f. lb	305/310c	—22.5	215/230c	340c	166c
Platinum per oz	£189	—	£164.5	£195	£152
Free Market per oz	£334.45	—92.5	£198.6	£466.6	£166.6
Quicksilver (76lbs.)	$395/405	+5	$245/50	$410	$160
Silver per oz	1,044.25p	—413.9	360.8p	2,165.05p	269.4p
3 months per oz	1,089.25p	—419.75	369.7p	2,185.05p	303.7p
Tin cash	£7,770	—510	£7,470	£8,350	£6,320
3 months	£7,805	—490	£7,372.5	£8,385	£6,365
Tungsten Ind.	$138.76	—	$134.1	$145.86	$127.94
Wolfram (22.04 lb)	$145/160	+2	$140/45	$145/160	$120.5
Zinc cash	£335	—7.5	£390.5	£408.5	£275.5
3 months	£340.5	—13.25	£402.25	£425.5	£286.25
Producers	$825	—	$800	$846	$720
GRAINS					
Barley					
Home Futures	£94.45	—1.9	£95.80	£101.55	£85.8
Maize					
French No. 3 Yellow (Amer)	£116	—	£109	£120	£105.5
WHEAT					
No. 1 Red Spring	‡	—	‡	£99.0	£92.0
Am. Hard Winter	‡	—	£88.75	£111.75	£83.5
Eng. Milling (new crop)	‡	—	£105.5	£107.5	£43.5
SPICES					
Cloves (g)	£4,175w	+90	£3,950	£4,175	£3,850
Pepper, white	$2,650w	—100	‡	$2,850	$2,600
" black	$1,950w	—75	$1,675	$2,025	$1,660
OILS					
Coconut (Philippines)	$770y	—	$1,000	$1,175	$770
Groundnut 5%	‡	—	‡	‡	‡
Linseed, Crude	£436	—4	£412	£446	£368
Palm Malayan	$630x	—5	$672	$725	$582
SEEDS					
Copra (Philippines)	$510	—10	$685	$748	$510
Soyabeans (U.S.)	$276.45t	—	$308	$350.45r	$235.2*
OTHER COMMODITIES					
Cocoa Shipment	£1,422	—10	£1,728	£2,041	£1,390
F'ts 2nd psn	£1,397.5	—9	£1,693.5	£1,990.5	£1,330.5
Coffee Futures May	£1,647.5	+3.5	£1,459.5	£2,089	£1,298.5
Cotton Index	91.75c	—1.75	—	98.40c	72.5c
Des. Coconut	£700	—	£720	£740	£700
Jute U.ABW C grade	£218w	—	$475	£265	£218
Rubber kilo	67p	—2.75	58.75p	90p	55p
Sago Pearl	£209w	—	£178	£219	£176
Sisal No. 3 L	$685	—	$640	$685	$515
Sugar (Raw)	£195	—35	£104	£287	£92.5
Tapioca No. 1	£207w	—	£167	£211	£167
Tea (quality) kilo	142p	—	132p	155p	123p
" (plain) kilo	64p	+4	75p	82p	57p
Wooltops 64s Warp	306p kilo	+6	290p kilo	306p kilo	262p kilo

‡ Unquoted. (g) Madagascar. (x) May. (r) April. (t) June. (w) March/April. (y) April/May. (v) July.

MARKET REPORTS

BASE METALS

COPPER—Marginally firmer on the London Metal Exchange, reflecting good buying against options, forecasts of a stocks decline and a recovery on Comex. Forward metal opened sharply lower in the region of £985, reflecting the weakness of gold, but rallied throughout the day to touch £1,030 before easing to close the late Kerb at £1,024. Turnover: 35,650 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	1003-4	+.5	1012-4	+7.5
3 months	1015-7	—1.5	1026-7	+6.75
Settlem't	1004	......		
Cathodes				
Cash	968-70	+.5	975-80	+8.5
3 months	995-7	+2.5	1000-5	+5.5
Settlem't	970	+1	—	.....
U.S. Prod	—	.....	*98.5	.....

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £1,004, three months £1,010, 09, 12, 13, 14, 16, 18, 19, 20, 17, 20, 25, 22, 21, 19, 18, 17, 12, 13, 14, 16, 15, 16. Cathodes, cash £970, three months £993, 94. Kerb: Wirebars, cash £1,008, three months £1,015, 17, 22, 20, 19, 18, 17. Afternoon: Wirebars, three months £1,021, 22, 23, 25, 26, 27, 28, 29, 28, 27, 26, 25, 24, 25, 26, 27. Kerb: Wirebars, three months £1,025, 29, 28, 27, 26, 25, 24, 22.

TIN—Higher, reflecting forecasts of a fall in warehouse stocks and good covering against overnight U.S. physical demand. Forward metal opened around £7,730 and edged up to £7,810 before easing back to close the late Kerb at £7,760. Turnover: 2,170 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7820-30	—110	7765-75	+145
3 months	7810-5	—122	7800-10	+115
Settlem't	7830	—110		......
Standard				
Cash	7820-30	—110	7765-75	+145
3 months	7810-5	—122	7800-10	+115
Settlem't	7830	—110	—	.....
Straits E.	$2301	—76		......
NewYork	—			......

Morning: Standard cash £7,820, 30, 40, three months £7,780, 90, 7,800, 10. Kerb: Standard, three months £7,800, 10. Afternoon: Standard cash £7,730, three months £7,810, 7,800, 05, 7,800. Kerb: Standard, three months £7,800, 7,760.

LEAD—Gained ground along with copper. Forward metal moved up from £444 on the pre-market to touch the day's high of £469 prior to closing the late Kerb at £464. The backwardation tended to narrow, reflecting forecasts of a modest rise in stocks. Turnover: 14,000 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	483-5	—8.5	495-9	+7
3 months	447-9	—11.5	468-9	+17.5
S'ment	485	—10		......
U.S. Spot	—	......	*50	......

Morning: cash £490, 85, late March, £480, three months £450, 52, 51, 52, 51, 50, 51, 50, 49, 48. Kerb: cash £485, three months £448, 50, 51. Afternoon: cash £498, three months £452, 53, 55, 58, 60, 62, 67, 68, 69, 68. Kerb: three months £468, 66, 68, 65, 66, 65, 63.

ZINC—Steady in quiet trading with forward metal moving ahead to touch £345 owing to the general trend in other metals, before easing to close the late Kerb at £339. Turnover: 9,725 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	332-3	+5.5	334-6	+1
3 months	336-7	+4	340-1	+1
S'ment	333	+5		......
Primw'ts		......	*39.5	......

Morning: cash £332, three months £338, 36, 37, 36. Kerb: three months £338, 39. Afternoon: three months £340, 41, 42, 44, 45, 45.5, 43, 42, 41. Kerb: three months £340, 39, 38, 40.

ALUMINIUM—Moved ahead following production cutbacks in the U.S. owing to power shortages. Forward metal opened around £825 and moved up to £839 on the U.S. news before easing on profit-taking to close the late Kerb at £834. Turnover: 11,125 tonnes.

Alumin'm	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Spot	832.4	—13	846-8	+11.5
3 months	826-7	—2	837-8	+7.5

Morning: three months £828, 29, 27, 26, 27. Kerb: three months £830, 29. Afternoon: three months £835, 34, 35, 36, 35, 36, 37, 38, 40, 39, 38.5, 39, 38. Kerb: three months £835, 30, 31, 34, 35, 33.

NICKEL—Edged higher in quiet trading with forward metal finally quoted at £3,145 on the late Kerb. Turnover: 144 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
Spot	5015-35	+45	5010-30	+40
3 months	5140-50	+40	5140-60	+47.5

Morning: three months £3,130, 35, 40. Afternoon: three months £3,150, 45.

COCOA

Cocoa futures were barely steady throughout another featureless day during which prices traded within a narrow range, closing with modest losses overall. Physical business was again quiet, reports Gill and Duffus.

COCOA	Yesterd'ys Close	+ or —	Business Done
March	1365-67	+8.5	1366-57
May	1397-98	+3.5	1403-1388
July	1410-12	—1.5	1420-07
Sep	1426-27	—4.0	1440-26
Dec	1464-65	—5.0	1480-65
March	1485-86	—10.5	1500-1485
May	1497-509	—19.5	1530

Sales: 1,404 (1,448) lots of 10 tonnes.

International Cocoa Organisation (U.S. cents per pound): Daily price March 13: 138.55 (141.45): Indicator price March 14: 15-day average 141.39 (141.82): 22-day average 143.71.

COFFEE

Despite a firm New York performance Robustas failed to fulfil early expectations and values remained under pressure in a tight range, seemingly neglecting currency weakness, reports Drexel Burnham Lambert. In the afternoon prices continued to ease on mixed liquidation but earlier sellers tended to support the market around the lows. On the closing call producer participation prompted a somewhat irregular finish to the day.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
March	1615-17	—2.0	1630-12
May	1646-49	+3.5	1656-40
July	1661-66	—8.5	1680-64
Sept.	1685-87	—10.5	1705-82
Nov.	1685-88	—12.5	1702-80
January	1675-85	+10.0	1687
March	1640-80	—10.0	—

Sales: 2,179 (4,165) lots of 5 tonnes.

ICS Indicator prices for March 13 (cents per pound): Other Mild Arabicas 195.00 (186.67); Robustas ICA 1976 171.00 (172.25); ICA 1968 171.25 (172.50); Unwashed Arabicas 205.00 (same); Comp. daily ICA 1968 191.25 (192.11).

GRAINS

LONDON GRAIN FUTURES—Old crops opened lower but found good buying support. New crops saw a good recovery after opening lower and closed only marginally down, reports Acli.

	WHEAT		BARLEY	
M'nth	Yest'rdays close	+ or —	Yest'rday close	+ or —
Mar.	93.40	+0.20	92.00	+0.15
May	95.90	—0.10	94.45	—0.15
Sept	93.40	—0.10	91.55	+0.05
Nov.	97.40	—0.10	95.45	—0.10
Jan.	101.40	—0.15	99.50	—0.15

Business done—Wheat: March 93.40-93.00, May 96.10-95.45; Sept. 93.55-93.30, Nov. 97.55-97.25, Jan. 101.60-101.20. Sales 181 lots of 100 tonnes. Barley: March 92.15-91.75, May 94.70-94.10, Sept. 91.45-91.05, Nov. 95.70-95.35, Jan. 99.50-99.40. Sales 261 lots of 100 tonnes.

IMPORTED — Wheat: U.S. Dark Northern Spring No. 2, 14 per cent. March unquoted, April 96.75, May 96.70, June 96.65, July 97.10, Aug. 97.10, Sept. 98.50 transhipment East Coast. Maize: U.S./French March 116, April 117 transhipment East Coast. S. African Yellow April 75.50. Barley: English Feed fob March 95.50, April 100.50, April-June 100.50 sellers East Coast, May 99.50, June 99.50 paid East Coast. Rest unquoted.

HGCA — Locational ex-farm spot prices. Other milling wheat: Eastern 96.30, E. Midlands 96.00. Feed barley: Eastern 94.50, E. Midlands 92.20, N. East 92.20, Scotland 92.70.

RUBBER

The London physical market opened easier, with little interest throughout the day, closing on a dull note. Lewis and Peat reported a Malaysian godown price of 321 nom. (329) cents a kg (buyer, April).

No. 1 R.S.S.	Yest'rdays Close	Previous Close	Business Done
Apr.	69.00-69.00	69.80-69.85	68.75-68.10
May	69.00-69.50	70.45-70.60	70.45-69.00
Apr.-Jne	69.60-69.50	70.35-70.45	69.60-68.80
Jly.-Sept	72.60-72.40	73.70-73.75	73.10-72.00
Oct.-Dec	75.80-76.00	77.65-77.75	77.90-75.80
Jan-Mar	78.90-79.00	80.65-80.70	79.40-78.65
Apr-Jne	81.80-82.00	83.70-83.80	82.80-81.60
Jly-Sept	84.90-85.00	86.70-86.80	85.80-84.90
Oct-Dec	87.80-87.85	89.60-89.70	89.50-87.75

Sales: 690 (576) at 15 tonnes, 81 (12) at 5 tonnes.

Physical closing prices (buyer) were: Spot 67.00p (68.50p); April 68.75p (70.00p); May 70.25p (71.75p).

SOYABEAN MEAL

The London market opened around unchanged on steadier sterling, reports T. G. Roddick. It remained in a narrow trading range throughout the day in featureless conditions to close unchanged to slightly easier.

	Yest'rd'y Close	+ or —	Business Done
	£ per tonne		
April	109.80-10.2	—0.10	110.10-09.50
June	109.80-10.2	+0.05	110.20-10.00
August	111.50-11.5	—0.15	—
October	109.80-10.0	—0.25	110.50-09.80
December	113.50-13.5	—0.35	113.50
February	116.10-16.8	—0.05	116.50
April	117.00-19.0	—0.40	—

Sales: 85 (42) lots of 100 tonnes.

SILVER

Silver was fixed £1.684 an ounce lower for spot delivery in the London bullion market yesterday at £10.4425. U.S. equivalents of the fixing levels were: Spot $23.01, down $3.98; three-month $24.089, down $3.911; six-month $25.053, down $3.902; and 12-month $25.827, down $4.162. The metal opened at £9.95-10.85 ($22-24) and fell to a low of $18-20 before closing at £10.6-11.3 ($23½-25).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	1044.25p	—168	1080p	—90
3 months	1089.25p	—165	1122.5p	—85
6 months	1132.25p	—165	—	......
12months	1168.25p	—177	—	......

LME—Turnover 191 (160) lots of 10,000 ozs. Morning: Three months 1050, 60, 55, 40, 30, 35. Kerbs: Three months 1040, 50, 60, 55. Afternoon: Three months 1150, 55, 30, 25. Kerbs: Three months 1115, 20.

SUGAR

The market opened slightly below overnight levels. Scattered short-covering in moderate trading conditions lifted price some £10 but prices slipped back somewhat at the close, reports C. Czarnikow.

LONDON DAILY PRICE (new sugar): £195.00 (£210.00) a tonne cif for March-April shipment. White sugar daily price was £210.00 (£220.00).

AMERICAN MARKETS

NEW YORK, March 14.

UNCERTAINTY REGARDING President Carter's anti-inflationary programme put additional heavy pressure on precious metals, coffee and sugar. Cocoa was featureless and finished slightly higher. Cotton was also featureless with little price change. Grains and soyabeans rallied moderately from an oversold position. The livestock complex finished lower on profit-taking except for hogs which ended mixed after the release of a bullish pig crop report, reported Heinold.

Copper—March 96.20 (93.00), April 97.20 (93.50), May 98.30-98.90, July 101.70-102.00, Sept. 104.30-104.30, Dec. 107.90-108.30, Jan. 108.20, March 109.60, May 111.00, July 112.40, Sept. 113.80, Dec. 115.90, Jan. 116.60.

Potatoes (round whites)—April 46.0 (46.5), May 55.3-55.4 (56.4), Nov. 74.8. Sales: 391.

Sugar—No. 11: May 18.85-19.10 (18.82), July 20.57 (21.57), Sept. 21.00, Oct. 22.09, Jan. 22.55, March 23.08, May 23.00, July 23.15. Sales: 22,760.

Tin—815.00-830.00 asked (820.00-835.00).

CHICAGO, March 14.

Lard—Chicago loose 19.50 (same). New York prime steam 21.00.

Live Cattle—April 68.50-68.60 (69.00), June 70.60-70.50 (71.75), Aug. 70.35-70.20, Oct. 69.05-68.90, Dec. 70.25-70.15, Jan. 70.50, Feb. 70.85-70.80.

Live Hogs—April 36.15-36.25 (36.07), June 40.90-40.70 (41.10), July 42.40-42.47, Aug. 41.45-41.40, Oct. 41.00-40.30, Dec. 43.97, Feb. 45.65, April 45.35, June 47.00.

‡‡Maize—March 263½-263½ (260), May 273½-273 (270½), July 286½-286½, Sept. 296-296½, Dec. 305¾-305½, March 318¾-318.

Pork Bellies — March 42.30-42.02 (42.45), May 43.60-43.30 (44.25), July 45.10-44.95, Aug. 43.85-43.60, Feb. 54.05, March 54.45, May 54.75, July —, Aug —.

Silver—March 2070.0 (2540.0), April 2150.0-2100.0 (2570.0), June 2975.0, Aug. 2035.0, Oct. 2095.0, Dec. 3150.0, Feb. 3210.0, April 3275.0, June 3330.0, Aug. 3390.0, Oct. 3450.0, Dec. 3510.0, Feb. 3570.0, April 3630.0, June 3680.0, Aug. 3750.0.

†Soyabeans—March 618 (612¾), May 638-639 (624½), July 663½-662½, Aug. 673½-674, Sept. 681-681½, Nov. 694½-695, Jan. 712-713½, March 732.

Soyabean Meal — March 166.70 (168.40), May 175.10-175.00 (175.20), July 182.00-181.80, Aug. 185.00, Sept. 188.50-188.50, Oct. 190.50-191.00, Dec. 195.00, Jan. 197.00-197.20, March 201.70-201.90, May 204.70-204.90.

Soyabean Oil — March 22.00-22.03 (21.97), May 22.55-22.62 (22.36), July 23.15-23.12, Aug. 23.40-23.43, Sept. 23.70-23.75, Oct. 23.95-24.00, Dec. 24.40-24.45, Jan. 24.60, March 24.85-24.90, May 25.25.

†Wheat—March 425 (428), May 435-435½ (433¼), July 441-440, Sept. 453-452½, Dec. 465-465½, March 481½.

WINNIPEG, March 14. §Barley—March 111.50 (112.50), May 114.70 (115.00), July 117.40, Oct. 114.20, Dec. 114.90.

§Wheat—SCWRS 13.5 per cent protein content cif St. Lawrence 220.90 (219.50).

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. || $ per short ton (2,000 lbs). § $Can. per metric ton. §§ $ per 1,000 sq. feet. ‡ Cents per dozen.

INDICES

FINANCIAL TIMES

Mar. 13	Mar. 12	M'nth ago	Year ago
291.03	296.47	309.86	271.34

(Base: July 1, 1952=100)

MOODY'S

Mar. 13	Mar. 12	M'nth ago	Year ago
1261.2	1321.9	1459.7	1062.5

(December 31, 1931=100)

DOW JONES

Dow Jones	Mar. 13	Mar. 12	Month ago	Year ago
Spot	407.05	413.51	467.30	381.22
F'tur's	429.68	436.09	470.62	387.20

(Average 1924-25-26=100)

REUTERS

Mar. 14	Mar. 13	M'nth ago	Year ago
1719.7	1736.8	1823.1	1554.2

(Base: September 18, 1931=100)

Sugar Pref. Comm. Con.	Yest'rdays Close	Previous Close	Business Done
	£ per tonne		
March	195.00-200.0	190.00-95.00	190.00-195.0
May	218.25-218.5	216.50-16.00	222.75-210.0
Aug.	225.00-227.0	224.00-25.50	233.00-220.0
Oct.	234.25-236.5	230.00-31.00	242.00-226.5

Sales: 7,990 (11,050) lots of 50 tonnes.

No. 4 CONTRACT—Close (in order buyer, seller only): May 219.50, 219.75; Aug. 227.00, 230.00; Oct. 235.00, 239.00; Jan. 239.50, 243.00; March 248.00, 249.00; May 248.00, 250.00. Sales: 357 (158).

Tate and Lyle ex-refinery price for granulated basis white sugar was £321.7 (same) a tonne for home trade and £278.00 (£292.00) for export.

International Sugar Agreement (U.S. cents per pound fob and stowed Caribbean port). Prices for March 13: Daily price 18.53 (19.85); 15-day average 21.32 (21.57).

WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order buyer, seller, business, sales). Australian cents per pound. March 480.0, 482.0, 489.0-482.0, 20; May 495.0, 500.0, 493.0-486.5, 162; July 509.5, 510.4, 511.0-507.0, 466; Oct. 508.5, 510.0, 511.0-508.0, 81; Dec. 509.5, 510.0, 510.5-508.5, 97; March 512.0, 512.0, 513.0-510.5, 56; May 512.5, 514.0, 512.0-510.5, 20; July 514.0, 516.0, 514.0-512.0, 24. Sales: 946.

LONDON NEW ZEALAND CROSSBREDS—Close (in order buyer, seller, business, sales). New Zealand cents per kilo. May 404, 406, 405, 2; Aug. 413, 419, 420-418, 9; Oct. 418, 421, nil, nil; Dec. 419, 421, 421, 1; Jan. 419, 421, nil, nil; March 427, 425, nil, nil; May 430, 478, nil, nil; Aug. 430, 438, nil, nil. Sales: 12.

COTTON

LIVERPOOL—Spot and shipment sales amounted to 77 tonnes, bringing the total for the week to 806 tonnes. Only a modest uptake resulted from a diminished demand. Lower prices tended to deter customers from operating freely. Minor purchases were made in African and South American qualities.

GRIMSBY FISH—Supply fair, demand fair. Prices at ship's side (unprocessed) per stone: Shelf cod £3.50-£4.00, codlings £2.20-£3.60. Large haddock £3.70-£4.00, medium £2.30-£3.70, small £1.80-£2.20. Best small plaice £2.50-£3.60. Skinned dogfish (medium) £12.00. Lemon soles (large) £10.50. Saithe £2.00-£2.30.

MEAT/VEGETABLES

MEAT COMMISSION—Average fatstock prices at representative markets on March 14. GB cattle 81.95p per kg (+0.65). UK sheep 165.8p per kg est dcw (+2.9). GB pigs 70.4p per kg lw (no change).

COVENT GARDEN—Prices in sterling per package except where otherwise stated. Imported Produce: Oranges—Spania: Navels 4.00-5.00; Jaffa: Shamouti 50/189s 4.30-5.45; Moroccan: 64/112s 4.00-4.20; Cyprus: Valencia Lates 4.00-4.20. Ortaniques—Jamaican: 5.00-6.00. Lemons—Italian: 100/150s 4.40-4.50, Cyprus: 15 kg 84/120s 3.40-4.30, Californian: 95/165s 4.80-6.00; South African: 80/120s 5.20-5.80.

Stock Exchange dealings

Thursday, March 13	18,460
Wednesday, March 12	19,041
Tuesday, March 11	20,284
Monday, March 10	20,341
Friday, March 7	23,075
Thursday, March 6	21,555

The list below gives the prices at which bargains were done by members of the Stock Exchange and recorded in last Thursday's Stock Exchange Daily Official List. For those securities not marked in Thursday's List, we show the latest markings recorded during the previous four business days; these are distinguished by the dates shown in parentheses.

The number of dealings marked on Thursday in each section follows the name of the section. Unless otherwise denoted, shares are £1 fully paid and stock £100 fully paid.

Members are not obliged to mark bargains, except in special cases, and the list cannot, therefore, be regarded as a *complete record of prices at which* business has been done. Bargains are recorded in the Official List up to 2.15 pm only, but later transactions can be included in the following day's Official List. The figures shown above, on the other hand, are the total number of bargains transacted in all securities up to 3.30 pm. No indication is available as to whether a bargain represents a sale or purchase. Markings are not necessarily in order of execution, and only one bargain in any one security at any one price is recorded.

‡ Bargains at Special Prices. Δ Bargains done with or between non-members. ⊕ Bargains done previous day. § Bargains done with members of a recognised Stock Exchange. ♣ *Bargains done for delayed delivery or "no buying-in."* $A—$Australian; $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—$Jamaican; $Ma—$Malayan; $Me—$Mexican; $NZ—$New Zealand; $S—$Singapore; $US—$United States; $WI—$West Indian.

BRITISH FUNDS (540)

FOREIGN STOCKS (5)

BANKS (100)

CORPORATIONS (12)

PUBLIC BOARDS (9)

COMMONWLTH. GOVTS. (12)

BREWERIES (99)

COMMERCIAL (1,769)

FINANCIAL TRUSTS (55)

GAS (16)

INSURANCE (81)

INVESTMENT TRUSTS (143)

Post Office tower restaurant to close

BY ELAINE WILLIAMS

THE revolving restaurant at the top of the Post Office tower in London is to close in June after 14 years' operation with the loss *of more than 90 jobs.*

The lease held by Butlins runs out in June and the company has decided not to renew it. Mr. R. F. Butlin, managing director, said yesterday: "The restaurant has enjoyed a good level of trade and made modest profits, but it is outside our main activity."

He said that the company would try to find alternative employment for the restaurant staff who would be made redundant.

The Post Office still intends to use the tower as a tourist attraction. It is renewing the two lifts which travel the 620 ft to the restaurant and is carrying out a survey to decide what public use can be made of the restaurant when refurbishment is completed in two-and-a-half year's time.

EUROPEAN OPTIONS EXCHANGE

Series		April Vol.	April Last	July Vol.	July Last	Oct. Vol.	Oct. Last	Stock
ABN C	F.280	—	—	12	4	—	—	F.263.50
ABN C	F.290	10	0.70	—	—	—	—	"
AKZ C	F.22.50	3	2	—	—	—	—	F.23.50
AKZ C	F.25	46	0.30	12	1.10	76	1.50	"
AKZ C	F.27.50	—	—	11	0.40	9	0.80	"
AKZ C	F.30	—	—	100	0.20	—	—	"
AKZ P	F.22.50	30	0.50	3	1.40	2	1.30	"
AKZ P	F.25	32	1.50	5	2.40	—	—	"
AKZ P	F.27.50	5	4.30	7	4.50	—	—	"
ARB C	F.60	—	—	—	—	1	1.20	F.55.50
EK C	$50	5	¼	—	—	—	—	$44⅛
FNC C	$20	2	⅝	—	—	—	—	$18⅝
HEI C	F.65	—	—	30	2	26	4	F.61.50
HO C	F.20	—	—	60	1	4	2	F.19.20
HO C	F.22.50	—	—	10	0.70	—	—	"
IBM C	$65	11	1⅜	—	—	—	—	$59¾
IBM C	$70	5	¼	—	—	—	—	"
KLM C	F.60	—	—	—	—	6	9.60	F.65.40
KLM C	F.70	180	1	178	4.10	27	5.80	"
KLM C	F.80	3	0.10	11	1	68	2.60	"
KLM C	F.90	—	—	11	0.50	—	—	"
KLM P	F.60	169	1.50	36	3.40	20	4	"
KLM P	F.70	120	6.10	31	8	—	—	"
KLM P	F.80	59	14.20	53	15.50	—	—	"
KLM P	F.90	21	24.20	—	—	—	—	"
NN C	F.100	5	7	—	—	—	—	F.105.50
NN C	F.110	—	—	1	3.20	—	—	"
NN C	F.115	10	0.30	15	1.70	38	3	"
NN C	F.120	1	0.20	—	—	—	—	"
NN C	F.125	3	0.10	—	—	—	—	"
NN P	F.110	—	—	4	7.30	2	8	"
PET C	Fr.5600	5	290	—	—	—	—	Fr.5310
PET C	Fr.6000	10	20	—	—	1	200	"
PET C	Fr.6500	2	8	—	—	2	100	"
PHI C	F.17.50	3	0.70	5	1.10	115	1.70	F.17.80
PHI C	F.20	—	—	5	0.40	95	0.80	"
PHI P	F.17.50	—	—	—	—	20	1.50	"
PHI P	F.20	10	2.20	25	2.60	—	—	"
PHI P	F.22.50	5	4.80	—	—	—	—	"
RD C	F.140	1	18	—	—	10	22	F.157.50
RD C	F.145	5	14	—	—	—	—	"
RD C	F.150	184	8.90	7	11.20	22	15.50	"
RD C	F.160	784	3.10	446	5.50	28	9	"
RD C	F.170	788	1	894	3.10	36	5.20	"
RD P	F.140	10	0.20	2	1.30	20	2.80	"
RD P	F.145	251	0.50	25	2.90	4	4.70	"
RD P	F.150	307	1.40	48	6	10	8	"
RD P	F.160	268	6.30	75	11	14	12.60	"
RD P	F.170	52	14	58	17.50	8	20.50	"
UNI C	F.115	—	—	—	—	80	3.20	F.107.40
UNI C	F.120	1	0.30	15	1	—	—	"
UNI C	F.125	2	0.10	—	—	—	—	"
XON C	$55	6	6¼	—	—	—	—	$59⅞
XON C	$70	8	¼	—	—	—	—	"
		May		Aug.		Nov.		
BAS C	DM.150	—	—	10	5.50	—	—	DM145
MMW C	DM.130	—	—	10	6	—	—	DM125.80
OXY C	$30	35	1⅛	—	—	—	—	$25⅝
SIE C	DM.280	—	—	10	10	—	—	DM264
SLB C	$90	4	17¼	—	—	—	—	$104⅝
SLB C	$100	1	10¼	—	—	—	—	"
SLB C	$110	1	5⅛	—	—	—	—	"
SLB C	$120	13	2¾	—	—	3	10	"
VEB C	DM.160	—	—	10	6	—	—	DM155.50
VW C	DM.190	10	2.50	—	—	—	—	DM182

TOTAL VOLUME IN CONTRACTS 6416

C=Call P=Put

BASE LENDING RATES

A.B.N. Bank	17 %	Hambros Bank	17 %
Allied Irish Bank	17 %	Hill Samuel	§17 %
Amro Bank	17 %	C. Hoare & Co.	†17 %
American Express Bk.	17 %	Hongkong & Shanghai	17 %
Henry Ansbacher	17 %	Industrial Bk. of Scot.	17½%
A P Bank Ltd.	17 %	Keyser Ullmann	17 %
■ Arbuthnot Latham	17 %	Knowsley & Co. Ltd.	18½%
Associates Cap. Corp.	17 %	Langris Trust Ltd.	17 %
Banco de Bilbao	17 %	Lloyds Bank	17 %
Bank of Credit & Cmce.	17 %	Edward Manson & Co.	18 %
Bank of Cyprus	17 %	Midland Bank	17 %
Bank of N.S.W.	17 %	■ Samuel Montagu	17 %
Banque Belge Ltd.	17 %	■ Morgan Grenfell	17 %
Banque du Rhone et de la Tamise S.A.	17½%	National Westminster	17 %
Barclays Bank	17 %	Norwich General Trust	17 %
Bremar Holdings Ltd.	18 %	P. S. Refson & Co.	17 %
Brit. Bank of Mid. East	17 %	Rossminster	17 %
■ Brown Shipley	17 %	*Ryl. Bk. Canada (Ldn.)*	17 %
Canada Perm't Trust	18 %	Schlesinger Limited	17 %
Cayzer Ltd.	17 %	E. S. Schwab	17 %
Cedar Holdings	17 %	Security Trust Co. Ltd.	18 %
■ Charterhouse Japhet	17 %	Standard Chartered	17 %
Choulartons	17 %	Trade Dev. Bank	17 %
C. E. Coates	17 %	Trustee Savings Bank	17 %
Consolidated Credits	17 %	Twentieth Century Bk.	17 %
Co-operative Bank	*17 %	*United Bank of Kuwait*	17 %
Corinthian Secs.	17 %	Whiteaway Laidlaw	17½%
The Cyprus Popular Bk.	17 %	Williams & Glyn's	17 %
Duncan Lawrie	17 %	Wintrust Secs. Ltd.	17 %
Eagil Trust	17 %	Yorkshire Bank	17 %
E. T. Trust Limited	17 %		
First Nat. Fin. Corp.	18½%		
First Nat. Secs. Ltd.	18 %		
Robert Fraser	18 %		
■ Antony Gibbs	17 %		
Greyhound Guaranty	17 %		
Grindlays Bank	‡17 %		
■ Guinness Mahon	17 %		

■ Members of the Accepting Houses Committee.

* 7-day deposits 15%, 1-month deposits 15¼%.

† 7-day deposits on sums of £10,000 and under 15%, up to £25,000 15¼% and over £25,000 15½%.

‡ Call deposits over £1,000 15%.

§ Demand deposits 15%.

ACTIVE STOCKS

YESTERDAY—

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1979-80 high	1979-80 low
Channel Tunnel	5p	12	135	−98	225	54
Shell Transport	25p	10	370	−12	410	278
BP	25p	9	352	−14	414	220½
Imp. Cont. Gas	£1	9	736	− 8	778	358
Burmah	£1	8	205	−10	249	82
Cons. Gold Fields	25p	8	476	− 2	617	178
Turner & Newall	£1	8	108	—	176	105
LASMO	25p	7	443	−12	528	124
Royal Insurance	25p	7	330	—	443	288
Tricentrol	25p	7	278	−14	336	148
Ultramar	25p	7	506	−16	526	197
Allied Breweries	25p	6	71	− ½	102	71
Bass	25p	6	216	+ 2	240	157
Debenhams	25p	6	87	− 3	96	59
Ladbroke	10p	6	140	− 3	243	126

ON THE WEEK—

Stock	Denomination	No. of marks	Closing price (p)	Change on week	1979-80 high	1979-80 low
BP	25p	53	352	−34	414	220½
Shell Transport	25p	52	370	−22	410	278
RTZ	25p	48	360	−50	492	226
Ultramar	25p	45	506	+ 4	526	197
ICI	£1	44	363	−25	415	314
Cons. Gold Fields	25p	40	476	−54	617	178
LASMO	25p	38	443	−31	528	124
Burmah	£1	37	205	−20	249	82
Tricentrol	25p	35	278	−24	336	148
BATS Inds.	25p	32	235	+ 7	362	225
GEC	25p	30	368	− 9	458	311
Turner & Newall	£1	30	108	−14	176	105
Grand Met.	50p	29	126	− 6	178½	110½
Racal Elec.	25p	29	207	− 7	276	168½
Coral Leisure	10p	28	77	+ 5	133	56½

LOCAL AUTHORITY BOND TABLE

Authority (telephone number in parentheses)	Annual gross interest	Interest payable	Minimum sum	Life of bond
	%		£	Year
Knowsley (051 548 6555)	15⅝	½-year	1,000	1
Redbridge (01-478 3020)	14⅞	½-year	200	2-3
Redbridge (01-478 3020)	14½	½-year	200	5-6

BUILDING SOCIETY RATES

	Deposit rate %	Share accounts %	Sub'pn shares %	*Term shares %
Abbey National	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Aid to Thrift	10.85	11.37	—	—
Alliance	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Anglia Hastings and Thanet	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Bradford and Bingley	10.25	10.50	11.75	11.25 one month's notice deposit
Bridgwater	10.25	10.50	12.00	12.50 5 yrs., 12.00 4 yrs., 11.60 2½ yrs.
Bristol and West	10.25	10.50	11.75	—
Bristol Economic	10.25	10.50	11.75	10.75 3 months
Britannia	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Burnley	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Cardiff	10.50	11.50	12.50	—
Catholic	10.05	10.75	11.65	— 10.95 over £5,000
Chelsea	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.55 6 mths.
Cheltenham and Gloucester	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Cheltenham and Gloucester	—	11.50	—	— Premium shares including 1.00 bonus p.a. (£15,000 only)
Citizens Regency	10.25	10.85	12.05	12.85 5 yrs., 12.35 4 yrs., 11.85 3 yrs.
City of London (The)	10.50	10.80	11.80	11.85 3-yr. withdrbl. increment share
Coventry Economic	10.25	10.50	11.75	12.00 4 yrs., 11.50 3 yrs., 11.25 3 mt nt
Coventry Provident	10.25	10.50	12.50	12.00 4 yrs., 11.75 3 yrs., 11.25 2 yrs.
Derbyshire	10.25	10.50	11.75	11.10 3 months' notice
Ealing and Acton	10.25	11.00	—	11.65 2 years, £2,000 minimum
Gateway	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Greenwich	—	10.75	12.00	12.75 5 yrs., 12.25 4 yrs., 11.75 3 yrs.
Guardian	10.25	10.75	—	11.75 3 months, £1,000 minimum
Halifax	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Heart of England	10.25	10.50	11.75	12.50 5 years, 11.00 3 months' notice
Hearts of Oak and Enfield	10.25	10.75	12.25	12.00 4 yrs., 11.75 3 yrs., 11.50 2 yrs.
Hendon	10.50	11.00	—	12.00 6 months, minimum £2,000
Huddersfield and Bradford	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Lambeth	10.25	10.75	12.00	12.50 5 yrs., withdrawals aft. 18 mths.
Leamington Spa	10.35	10.60	14.19	12.55 5 yrs., 12.30 4 yrs., 11.90 3 yrs.
Leeds Permanent	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Leicester	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Liverpool	10.25	10.50	11.95	12.50 5 years, minimum £1,000
London Goldhawk	10.25	10.75	12.00	11.75 3 yrs., 11.50 2 yrs., 11.25 1 yr.
Melton Mowbray	10.35	10.60	11.75	12.10 4 yrs., 11.35 2 yrs.
Mornington	10.75	11.25	—	—
National Counties	10.50	10.80	11.80	11.90 6 mth., 11.35 3 mth., min. £1,000
Nationwide	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Newcastle Permanent	10.25	10.50	11.80	12.50 4 yrs., 11.80 3 yrs., 11.50 2 yrs.
New Cross	11.00	11.25	—	—
Northern Rock	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Norwich	10.25	10.50	12.00	11.50 3 yrs., 11.25 2 yrs., min. £500
Paddington	10.00	11.00	12.50	11.75 6 months, 11.50 3 months
Peckham Mutual	10.50	11.25	—	—
Portman	10.25	10.50	11.75	12.50 5 yrs., 11.55 6 months' notice
Principality	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Property Owners	10.25	11.00	12.25	11.55 3 months
Provincial	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Skipton	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Sussex County	10.50	10.75	12.55	12.55 5 yrs., 12.15 4 yrs., 11.75 3 yrs.
Sussex Mutual	10.50	10.85	12.50	11.25-13.10 all with special options
Town and Country	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Walthamstow	10.25	10.60	11.70	12.60 5 yrs., 11.6 6 mth. not. min. £500
Wessex	10.50	11.20	—	12.20 6 mths. not. WDL min. 3 yrs.
Woolwich	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.

*Rates normally variable in line with changes in ordinary share rates.

All these rates are after basic rate tax liability has been settled on behalf of the investor.

MARCH 7

Abitibi 885ф
Allied Chemicals £23¼
Allstate Expln. 70
Anglo Utd. Development 126ф
Arco 945
Atlantic Richfield £43¾
Australian Cons. Minerals 20 20 17 19
Australian Oil and Gas 78
Baguio Gold ½ф
Bancal Tristate £14½ 14.70‡
Basic Resources 725ф 69ф
Batu Kawan 74ф
Beach Pets. 61ф
Bond Corp. 95ф
Bougainville Copper 221ф 15ф 6 4
Bow Valley £19¼‡
CSR 293 300 5
Canadian Lencourt 64
Carling O'Keefe 340ф
Carr Boyd Minerals 32½ф 3¼ф 4ф
Central Pacific Minerals £20½
Cheung Kong 147
Columbia Picture Inds. £14ф
Cultus Pacific 35ф 6ф 2
Cultus Pacific Options 18
Domo Pets. £29¾
Dominion Stores 740ф
Endeavour Resources 21¼ф 20¾ ½
Gearhart Owen £24¾
Gem Expln. 53ф 47
Gold Mines of Kalgoorlie 240ф
Gulfstream Resources 363ф 49‡ 35
Hzoma Gold 45
Homestake Mines £27⅝ф
Hudsons Bay Oil and Gas £51½ф
Jardine Matheson 145
Keywest Ex. 17
Leichardt Expln. 550‡ 60
MIM Hldgs. 270 6
Magnet Metals 56ф 8ф 3
Monarch Pets. 50ф
Mount Carrington 72
Nicholas Intnl. 66m
Noranda Mines £11⅞
North Broken Hill 180ф 74
Oakbridge 190ф 4ф
Offshore Oil 15½
Otter Expln. 9ф 9 6
Pacific Copper 226ф 16 20 30
Pancontinental 370
Peko-Wallsend 430
Premier Portland Cement 88
Reckitt and Colman (Aust.) 127½
Reynold Metal £16½
SASOL 180ф 75
Samantha Expln. 101 2
Seltrust A 200ф
Shell Canada £14¾
Southern Pacific Pets. £8¾ф 7¾
Standard Oil of Ohio £43⅝
Swire Pacific A 75½
Valiant Consd. 75ф
Warrior Res. 18ф ½
Western Airlines 353
Westmex 20
Wheelock Marden A 36ф ¼
Woodside Pets. 128ф 5ф 15 23 4½ 20
York Resources 20¼ 1

RULE 163 (2) (a)

Applications granted for specific *bargains* in securities not listed on any Stock Exchange.

MARCH 13

Allied International Designers 35
Ann Street Brewery 260
Aran Energy 368 4 2 60 56 2 50
Arsenal FC £130
Blyth Greene Jourdain 170
Caledonian Offshore 240
Carlton Real Estates 22
Celtic Basin Oil Exploration 240
Cic Inv. ½
Clairmace 17 16½
Clyde Petroleum 327 6 5 3 2 1
Deltenne 9 ½ 8 1-64th
Dyson (R. A.) A 12
Dyson (R. A.) B 810
Edinburgh Secs. 161 60 58
Eldridge Pope A 312
Galaha Ceylon Tea Estates 10
GRA Prop. 18 17½ ¼ 17 16¾ ½
Hydro Hotel Eastbourne 365
Kellock (1st Series) 120
Kellock (2nd Series) 115
Kenmare Oil Exploration 82 80 78 5
London Continental Advertising 18 1-16th
London Contl. Advertising (20p) 20 19
Maddock 17
Maddock 7½pcCnv. £20½
Manchester Utd. FC 230
Nationwide Leisure 8
New Court Natural Resources 37
North Sea Assets 100
Norton Villiers Triumph 2½
Oldham Estates 99
Pan Atlas 20
QPR Athletic Club 100
Southern Newspapers 197 5
Webber Electro Components 59 8

MARCH 12

Allied International Designers 37 6 4
Applied Computer Techniques 330
Aran Energy 370 68 5 2 60 55
Ascot TV Rental 12
Bio-Kil Chemicals 87
Caledonian Offshore 240 30
Cambridge Petroleum Royalties 250 45
Carlton Real Estates 23
Castletown Brewery 404 400
Celtic Basin Oil Exploration 225 20
Ceylon and Indian Planters 215
Cic Investment ¾ ¼ 41-164ths ⅛ ½
Cic Investment 1 ¾
Clairmace 16 ½ ⅓ 16

MARCH 7

Ann St. Brewery 265 58
Adnams B 710
Allied Intl. Designers 37 6 5 38
Applied Computer Tech. 325
Aran Energy 392 90 88 5 4 80 76 5 70 68 56 87 70‡ 66 5‡ 2 60 58 7 2 50 45 40 35
Arsenal FC £130
Ascot TV Rentals 12¼
Bell SpcPr. 30
Bio-Kil Chemicals 85 4
Border TV A 25

: Denotes Irish Currency.

RULE 163 (3)

Bargains marked for approved companies engaged solely in mineral exploration.

MARCH 13

Aran Energy 395 64 2 60 58 7 6 4 2 50
Berkeley Exploration and Production New 100 98 7 5½ 5 3

Berkeley Exploration and Production New 108 7 5 3 2 1 100 96 7 5 3 90½ 90
Candecca Resources 100 98½ 7 5 4
CCP North Sea Associates 273 63 60 58
Cluff Oil 350 45 40
Cluff Oil New 30 28 5 3 20
Gas and Oil Acreage 420 400
Siebens Oil and Gas (UK) 685 80 75 70 65 60 55 40 20 15 10 5 600 595 90 75 70 65 60 55
Viking Oil 985 80 45 40 35 30 25 20 15 10 8 900 890

(By permission of the Stock Exchange Council)

UK MONEY MARKET

Bank of England Minimum Lending Rate 17 per cent (since November 15, 1979)

The Treasury bill rate fell by 0.0079 per cent at yesterday's tender to 16.1132 per cent; and the minimum accepted bid was £95.98, the same as the previous week. *Bids at that level were* met as to about 27 per cent and above in full. The £300m bills on offer attracted bids of £854.355m and all bills offered were allotted. Next week a further £300m will be on offer.

Credit conditions were considerably easier in the London money market yesterday, although the authorities gave a small amount of help by buying corporations bills, direct from the discount houses. The market was faced with the unwinding of a previous sale and repurchase *agreement on a moderate num*ber of eligible bank bills, and there was a small rise in the note circulation. Funds were also drained by the call on the Treasury 12¾ per cent stock. On the other hand Government dis*bursements (including rate sup*port grant) exceeded revenue transfers to the exchequer by a large amount, and banks brought forward balances a small way above target.

In the interbank market weekend loans opened at 16¼-16⅞ per cent, with substantial business seen around 16-16½ per cent.

EXCHANGES AND BULLION

The dollar continued to improve in currency markets yesterday, and finished well above Thursday's closing levels. However, late *selling out of the U.S.* saw the U.S. unit finish on or around its lowest level of the day. Demand was very strong during the morning, and it reached its best level around noon. But trading thinned out *in the afternoon and the dollar* lost ground, with some switching back into gold possibly accounting for the decline. Against the D-mark it finished at DM1.8225 against *DM 1.8210 on Thursday*, after a best level of DM 1.8405. Similarly against the Swiss franc it rose to SwFr 1.7540 from SwFr 1.7425, having touched SwFr 1.77 earlier in the day. On Bank of England figures, the dollar's trade weighted index rose from 87.8 to 88.3, its highest level since June, 1978.

Sterling lost ground against the dollar, but was very firm against other currencies. This was reflected in its trade *weighted index which rose to* 72.3 from 72.2, even though it lost 85 points against the dollar to close at $2.2145. However, against the Swiss franc it closed at *SwFr 3.8850* compared with SwFr 3.8750 on Thursday.

Gold continued *to fall sharply*,

THE POUND SPOT AND FORWARD

March 14	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.2015-2.2165	2.2140-2.2150	0.32-0.42c dis	−2.00	0.47-0.57dis	−0.94
Canada	2.5860-2.6115	2.6090-2.6100	0.85-0.75c pm	3.68	2.15-2.00 pm	3.18
Nethlnd.	4.43½-4.46½	4.45-4.46	3-2c pm	6.73	7½-6½ pm	6.17
Belgium	65.70-66.15	66.05-66.15	6c pm-4 dis	0.18	22-12 pm	1.03
Denmark	12.56½-12.69½	12.63-12.64	3¼-4¾ore dis	−3.80	8½-10½dis	−2.97
Ireland	1.0940-1.0985	1.0965-1.0975	*0.07-0.03p pm*	0.55	0.10-0.05 pm	0.27
W. Ger.	4.04-4.07	4.05½-4.06½	3⅞-2⅞pf pm	8.97	9½-8½ pm	8.87
Portugal	108.40-109.80	109.50-109.70	30-55c dis	−4.66	50-120 dis	−3.10
Spain	150.35-152.85	152.75-152.85	*125-175c dis*	−11.78	305-565dis	−11.39
Italy	1,881-1,888	1,884-1,885	2½-4½ lire dis	−2.39	12-14 dis	−2.76
Norway	11.10-11.18	11.12½-11.13½	4½-2⅞ore pm	3.91	7½-9⅞ dis	−3.08
France	*9.44½-9.48½*	*9.46¾-9.47¾*	*3¼-2¾c pm*	4.12	*9-8 pm*	3.59
Sweden	9.54-9.60	9.58½-9.59½	4½-3½ore pm	4.61	12-11 pm	4.80
Japan	547-555	551-552	2-1¼y pm	3.53	5-4½ pm	3.44
Austria	*28.97-29.17*	*29.08-29.13*	*21-18gro pm*	7.83	*63-57 pm*	*8.25*
Switz.	3.86½-3.91	3.88-3.89	4¾-3¾c pm	11.97	11-10 pm	10.81

Belgian rate is for convertible francs. Financial franc 68.20-68.30. Six-month forward dollar 0.77-0.87c dis. 12-month 0.50-0.60c dis.

GOLD

	Mar. 14		Mar. 13	
Gold Bullion (fine ounce)				
Close	$525-535	(£237¼-241¾)	$553-558	(£248.251,1)
Opening	$530-535	(£240-242½)	$572-577	(£257,1-259,4)
Morning fixing	$502.75	(£227,901)	$574.30	(£257,915)
Afternoon fixing	$523	(£236,812)	$556,50	(£250,000)
Gold Coins				
Krugerrand	$530-560	(£239½-248½)	$558-563	(£251-253¼)
Mapleleaf	$525-535	(£237¼-241¾)	$558-563	(£251-253¼)
New Sovereigns	$133-138	(£60-62¼)	$143-146	(£64½-65½)
King Sovs	$155-160	(£70-72¼)	$165-168	(£74¼-75½)
Victoria Sovs	$155-160	(£70-72¼)	$165-168	(£74¼-75½)
French 20s	—		—	
50 pesos Mexico	$650-660		$685-695	
100 Cor. Austria	$510-520		$530-540	
$20 Eagles	$700-710		$725-730	
$10 Eagles	—		—	
$5 Eagles	—		—	

EXCHANGE CROSS RATES

Mar. 14	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'r	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.215	4.060	551.5	9.468	3.885	4.455	1885.	2.610	66.10
U.S. Dollar	0.452	1.	1.833	249.0	4.275	1.754	2.012	851.0	1.178	29.85
Deutschemark	0.246	0.545	1.	135.8	2.332	0.957	1.097	464.2	0.643	16.28
Japanese Yen 1,000	1.813	4.015	7.362	1000.	17.17	7.044	8.078	3417.	4.732	119.9
French Franc 10	1.056	2.339	4.288	582.5	10.	4.104	4.706	1990.	2.756	69.82
Swiss Franc	0.257	0.570	1.045	142.0	2.437	1.	1.147	485.1	0.672	17.01
Dutch Guilder	0.224	0.497	0.911	123.8	2.125	0.872	1.	423.0	0.586	14.84
Italian Lira, 1,000	0.531	1.175	2.154	292.7	5.024	2.062	2.364	1000.	1.385	35.08
Canadian Dollar	0.383	0.849	1.556	211.3	3.628	1.489	1.707	722.2	1.	25.33
Belgian Franc 100	1.513	3.350	6.142	834.3	14.32	5.877	6.740	2851.	3.948	100.

LONDON MONEY RATES

Mar. 14 1980	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposits	Treasury Bills ф	Eligible Bank Bills ф	Fine Trade Bills ф
Overnight	—	15-16⅞	—	—	—	16¾	15¼-16¾	—	—	—
2 days notice	—	—	17⅝-17⅞	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	16¼-16½	17¾-18⅛	—	18	17¼-17⅜	16¼-16⅛	—	—	—
One month	17⅜-17⅛	17⅜-17⅛	17⅞-18	18¾-18⅛	18	17¾	16⅝	15⅞	17½	18⅜
Two months	17⅝-17⅜	17⅞-17⅞	—	18⅝-18¼	18	—	16⅝	16	7⅞	18⅛
Three months	17⅞-17⅞	17⅞-17⅞	18-18¼	18⅛-17⅝	18	18-18⅛	16½	16⅛	17⅝	17⅞
Six months	17⅞-16⅞	17⅛-17¼	17½-17⅝	17⅞-16⅞	17⅛	18⅛	—	—	16⅜	16⅞
Nine months	16½-16⅞	16⅝-16¾	—	17¼-16⅞	17⅛	—	—	—	—	—
One Year	16⅞-16⅛	16⅞-16⅞	16¾-17⅛	17-16¾	17	—	—	—	—	—
Two years	—	—	16½-16¾	—	—	—	—	—	—	—

Local authorities and finance houses seven days' notice, others seven days fixed. *Long-term local authority mortgage rate nominally three years 15⅞-16⅛ *per cent; four years 15¾-15⅞ per cent; five years 15¾-15⅞ per cent.* фBank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 17¼ per cent; four-month trade bills 17⅞ per cent.

Approximate selling rates for one-month *Treasury bills 15⅞-15⅞ per cent; two-months* 15 59-64ths-16 *per cent;* three-months 16 5-64ths-16⅞ per cent. Approximate selling rates for one-month bank bills 17¾ per cent; two-months 17¾ per cent; and three-months 17½ per cent; one-month trade bills 18⅞ per cent; two-months 17⅞ per cent; and three-months 17⅞ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 18 per cent from March 1, 1980. Clearing Bank Deposit Rates for sums at seven days' notice 15 per cent. Clearing Bank Rates for lending 17 per cent. Treasury Bills: Average tender rates of discount 16.1132 per cent.

CURRENCY MOVEMENTS

Mar. 14	Bank of England Index	Morgan Guaranty changes %
Sterling	72.3	−33.3
U.S. dollar	88.3	−5.3
Canadian dollar	81.2	−17.3
Austrian schilling	156.2	+23.5
Belgian franc	113.7	+12.2
Danish kroner	106.5	−4.1
Deutsche mark	155.4	+45.0
Swiss franc	190.5	+73.4
Guilder	125.2	+20.2
French franc	100.5	−6.0
Lira	53.9	−50.2
Yen	115.5	+14.6

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

EURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit: one-month 18.55-18.65 per cent; three-months 18.90-19.00 per cent; six *months* 18.90-19.00 per cent; one year 17.50-17.60 per cent.

Mar. 14	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
†Short term	16¾-17	18⅛-18⅜	8½-9⅛	10-10¼	2-2¼	7⅞-7⅞	12⅞-13⅛	13-15	—	10½-11¼
7 days' notice	16¾-17	18⅛-18⅝	8½-9⅛	10¼-10½	2¼-2¾	7⅞-7⅞	13⅛-13⅝	17½-19½	16¼-16⅝	12½-12¾
Month	17⅝-17⅞	19⅞-19⅞	13¼-13⅝	10⅝-10⅞	5⅞-5⅞	8¼-8⅜	13⅝-13⅞	20-21	17⅞-18	14-14¼
Three months	18⅛-18⅜	19⅞-19⅞	14½-14⅞	11⅛-11¾	6¾-6⅞	9-9⅛	14⅜-14⅝	20½-21½	18⅞-18⅞	14⅝-14⅞
Six months	18¼-18½	19-19¼	15-15⅝	12⅛-12⅝	7⅞-7⅞	9⅞-9⅞	15-15¼	21-21¾	18⅝-18½	14⅝-14⅞
One year	17⅝-17⅝	17⅞-18⅛	15-15⅝	12½-12¾	6⅞-7⅞	9⅝-9¾	15⅛-15⅝	22-25	17⅞-17⅞	13¼-13½

Long-term Eurodollar two years 16⅞-16⅞ per cent; three years 15⅞-15⅞ per cent; four years 15¼-15½ per cent; five years 15-15¼ per cent; nominal closing rates. Short-term *rates* are call for sterling, U.S. dollars, Canadian dollars and Japanese yen; others two days' notice. Asian rates are closing rates in Singapore.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU March 14	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.7897	40.6993	+2.29	+1.69	±1.53
Danish Krone	7.72336	7.83439	+1.44	+0.74	±1.64
German D-Mark	2.48208	2.50458	+0.91	+0.21	±1.125
French Franc	5.84700	5.85383	+0.12	−0.58	±1.3557
Dutch Guilder	2.74362	2.75222	+0.31	−0.39	±1.512
Irish Punt	0.668201	0.677685	+1.42	+0.72	±1.668
Italian Lira	1157.79	1164.84	+0.61	+0.42	±4.08

Changes are for ECU, therefore positive change denotes a week currency. Adjustment calculated by Financial Times.

OTHER CURRENCIES

Mar. 14	£	$		£ Note Rates
Argentina Peso	3806-3826	1721-1728	Austria	28.80-29.05
Australia Dollar	2.0215-2.0255	0.9140-0.9145	Belgium	67.50-68.00
Brazil Cruzeiro	102.66-103.65	46.50-46.80	Denmark	12.65-12.70
Finland Markka	8.53-8.54	3.8620-3.8640	France	9.40-9.46
Greek Drachma	87.958-90.039	39.60-40.00	Germany	4.04½-4.07
Hong Kong Dollar	11.07¼-11.09¼	5.0040-5.0090	Italy	1860-1905
Iran Rial	n/a	n/a	Japan	550-555
Kuwait Dinar (KD)	0.603-0.613	0.2750-0.2751	Netherlands	4.44½-4.47
Luxembourg Frc.	66.05-66.15	29.84-29.86	Norway	11.13-11.20
Malaysia Dollar	4.9050-4.9160	2.2140-2.2170	Portugal	106½-110½
New Zealand Dlr.	2.3070-2.3120	1.0426-1.0440	Spain	146½-153½
Saudi Arab. Riyal	7.32-7.42	3.5400-3.5450	Sweden	9.55-9.60
Singapore Dollar	4.8775-4.8885	2.2030-2.2060	Switzerland	3.88-3.90
Sth. African Rand	1.7915-1.7940	0.8090-0.8100	United States	2.200-2.208
U.A.E. Dirham	8.20-8.30	3.7345-3.7365	Yugoslavia	50-51½

Rate given for Argentina is free rate.

U.K. CONVERTIBLE STOCKS 14/3/80

Statistics provided by *dataSTREAM International*

Name and description	Size (£m)	Current price	Terms*	Con-version dates	Flat yield	Red. yield	Premium† Current	Premium† Range‡	Income Equ.§	Income Conv.¶	Income Diff.♡	Cheap(+) Dear(−)◇ Current
Bank of Ireland 10pc Cv. 91-96	1.20	157.00	47.6	77-81	6.6	4.1	−10.2	−15 to −7	0.0	14.1	8.1	+18.2
British Land 12pc Cv. 2002	7.71	253.00	333.3	80-97	4.8	3.0	1.9	− 4 to 7	0.0	92.6	37.3	+35.4
Hanson Trust 6½pc Cv. 88-93	3.38	83.00	57.1	76-81	8.1	9.1	− 1.9	− 7 to 2	6.1	6.3	0.2	+ 2.1
Slough Estates 10pc Cv. 87-90	5.50	223.00	187.5	78-86	4.5		− 2.5	− 6 to 1	36.9	43.3	2.8	+ 5.3
Slough Estates 8pc Cv. 91-94	24.88	109.00	78.0	80-91	7.5	7.0	14.5	15 to 28	25.8	50.0	25.4	+10.9
Ultramar 7pc Net R.Cv.Pfd.	12.59	2.63	0.5	76-81	3.8		− 4.3	− 7 to 0	18.5	9.3	− 3.3	+ 0.9
Wilkinson Match 10pc Cv. 84-98	11.10	76.00	40.0	76-83	13.5	13.9	34.6	18 to 35	20.5	28.7	14.6	−20.1

* *Number of ordinary shares into which £100 nominal of convertible stock is convertible.* † *The extra cost of investment in convertible expressed as per cent of the* cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date *whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum.* ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ♡ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◇ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness. − is an indication of relative dearness.

Markets remain nervous at end of depressing week

Equities at day's lowest but Gilts continue to resist

Account Dealing Dates
Options

*First Dealings	Declara-tions	Last Dealings	Account Day
Feb. 25	Mar. 6	Mar. 7	Mar. 17
Mar. 10	Mar. 20	Mar. 21	Mar. 31
Mar. 24	Apr. 10	Apr. 11	Apr. 21

* "New time" dealings may take place from 9 a.m. two business days earlier.

It was another bad day for stock markets yesterday. For most sectors, the first leg of the trading Account was a depressing one with South African Gold *shares falling almost daily on* the weakening bullion price. Equity markets were scenting possible financial difficulties over settlement on Monday of the heavy speculative losses sustained during the previous Account on secondary oils and a host of Australian exploration issues.

Fears that the Chancellor may impose an excess profits tax on oil and banking concerns *following the recent upsurge* in earnings reported by leaders in both fields were also troubling the equity market. Other depressants on sentiment were the February retail prices index which showed the yearly rate of inflation at over 19 per cent and concern about increased dislocation in manufacturing industry as a result of the failure of the latest steel talks.

With so much uncertainty pre-*vailing, it took a minimum* amount of selling to reduce values. Oil and exploration issues led the way and closing levels were generally the day's lowest. British Petroleum surrendered all of Thursday's gain and more to close 14 down at 352p, but loses among other constituents of the FT 30-share index were rarely more than 6p. The index, after recording a fall of 5.9 at 10 am, ended the day 7.1 lower at 439.9 for a loss on the week of 15.8.

Government securities remained firm yesterday and continued to be the only sector to resist this week's general decline. The renewed upward pressure on U.S. Prime Rates, shown in a rise to 18¼ per cent last night ahead of President Carter's anti-inflationary package, failed to discourage a small investment demand which lifted quotations sufficiently to thwart a much larger buying order being effected. Longer-dated stocks closed around ¼ higher and the firmness continued in a quiet after-hours trade. The shorts were less *impressive* with rises limited to 1/16.

Apart from **BP** and **Cons. Gold Fields**, which recorded 102 and 142 deals respectively, activity in Traded options were negligible and only 365 contracts were completed for a week's daily average of 531.

Sterling credit weak

Sterling Credit turned weak, *falling 3 to 14p, after 12½p, in* reaction to the first-half deficit and the Board's accompanying bearish remarks about second-half prospects. A friendless market of late on the Board's warning of large trading losses and a possible dividend cut, **Clive** took a further turn for the worse yesterday, closing 4 down at 43p, after 42p, following a badly handled selling order. By way of contrast, **Schroders** rose *22 to 497*p on further consideration of the results and proposed 100 per cent scrip-issue, while **UDT** hardened a penny to 55p on Press comment. Standing a couple of pence easier immediately in front of the preliminary results, **Midland** rose to 336p in initial response to the profits, which were at the top end of market estimates, before closing unchanged on balance at 330p. Other major clearers drifted lower with **Barclays**, due to report results next Thursday, 4 down at 418p. **NatWest** gave up 3 to 322p and **Lloyds** shaded a couple of pence to 280p.

With the exception of **Sun Alliance**, which hardened 2 to 562p, Composite Insurances eased on lack of interest. **General Accident** and **GRE** cheapened 2 to the common level of 234p.

Breweries finished the first *leg of the account* in quietly dull mood. **Arthur Guinness** fell 3 to 92p, while **Vaux** gave up the same amount to 144p. A particularly good two-way trade was transacted in **Bass** which recovered from 210p in the early *business as buyers* entered and the close was a net 2 higher at 216p.

The majority of movements in the Building sector were against holders. **Blue Circle** eased 6 to 296p and **Tarmac** 3 to 215p among the leaders. Occasional offerings in front of Monday's interim figures caused a fall of 4 to 121p in **Barratt Developments**, while the liquidation of recent speculative positions left **Montague L.** *Meyer 3 lower at 117p, after* 114p. Against the trend, renewed demand lifted **Y. J. Lovell** 6 more to 122p and **IDC** 3 further to 173p.

Apart from **ICI**, which turned dul and gave up 7 to 363p on suggestions of a rights issue, little of interest developed in Chemicals.

MFI down again

Still unsettled by suggestions that the company is involved in merger negotiations with the suspended *Status Discount*, ***MFI*** **Furniture** ran into further selling and closed a fresh 3 off at 81p, making a two-day decline of 8. Elsewhere in Stores, **Kitchen Queen** remained friend*less at 15p, down* a penny, while **Lee Cooper** shed 5 to 285p and **Wharf Mill** 4 to 54½p. **Cramphorn**, on the other hand, rose 20 to 450p in a thin market and **E. Upton** gained 2 to 34p on Press comment. Of the quietly dull leaders, **British Home**, 273p, and **Debenhams**, 87p, fell 3 apiece, while **Marks and Spencer** gave up 2 to 89p. Profit-taking in the 1½ from **Woolworth** at 68½p. **Stylo** picked up 5 to 160p in *Shoes but* ***Allebone*** relinquished 2 to 20p. Ahead of respective wake of the good results clipped half-year and preliminary statements on Tuesday, **Strong and Fisher**, 70p, and **Ward White**, 68p, both softened a penny.

Pifco *fell to 120p on selling* in front of next Friday's interim figures before picking up to close only 2 lower on the day at 130p. Elsewhere in the Electrical sector, falls of 5 were recorded in **Eurotherm**, 325p, **MK Electric**, 167p, and **Unitech**, 280p. **Muirhead** improved to 192p initially, but reacted to close a penny off on balance at 185p. Against the trend, **Wholesale Fittings** firmed 5 more to a fresh peak for the year of 590p. Leading issues turned dull, **GEC** falling 5 to 368p and **Plessey** 3 to 138p.

Engineerings ended the week on a rather drab note. **GKN** drifted off to close 6 cheaper at 260p, while *Tubes* gave up 4 to 282p, and **Vickers** 3 to 119p. Secondary issues again recorded scattered losses. Selling in a limited market left **Martonair** 10 cheaper at 200p and **Bullough** 6 lower at 160p. **Alcan Aluminium** also came on offer and gave up 7 to 96p with **British Aluminium** easing a similar amount to 233p.

United Biscuits continued to reflect disappointment with Thursday's rights issue and annual results and closed 4 lower for a two-day loss of 12 at 75p. Elsewhere among leading Foods, **Associated Dairies** gave up a few pence more to 176p, while **Unigate** shed 3 to 116p. **Brooke Bond**, interim results due on Tuesday, eased a penny to 51p, but favourable Press comment prompted a gain of 2 in recently-*dull George Bassett, 68p.* ***William*** **Morrison** lacked support and finished 6 lower at 148p, while **Associated Fisheries**, 61p, gave up the previous day's gain of 3.

Among easier Hotels, **Trusthouse Forte** encountered further profit-taking and fell 4 to 168p. **Grand Metropolitan** shed 2 to 126p, while **Ladbroke** eased 3 to 140p.

Channel Tunnel fall

Having risen sharply earlier in the week on hopes about an early decision on the project, **Channel Tunnel** ended the week slightly easier on balance after *plummeting 98 yesterday to* 135p in active trading following the liquidation of speculative bull positions. Elsewhere, adverse Press comment brought selling pressure to bear on **Dalgety** which closed 7 lower at 263p, while recently-firm **De La Rue** receded 35 to 620p, the latter to the accompaniment of fund-raising rumours. Reflecting the interim profits setback, **Burndene Investments** gave up 1½ to 13½p, while **Johnson Matthey** declined 10 to 267p on consideration of the further steep fall in precious metal prices. **Sale Tilney** gave up 10 to 205p in the wake of the results, while losses of around 5 were seen in **Highgate and Job**, 36p, **Johnson Cleaners**, 160p, and **Applied Computers**, 325p. **Royal Worcester**, however, attracted renewed support ahead of the results due at the end of the month and closed 9 up at 225p, after 230p, for a *rise on the week of 27. Among* the dull leaders, sentiment in **Turner and Newall** was still unsettled by the poor annual results; after easing afresh to a year's low of 105p, the shares recovered to close the day *unaltered at 108p but still 14* down on the week. **Beecham**, 118p, **Boots**, 186p, **Glaxo**, 246p, and **Metal Box**, 246p, all lost 4. **Reckitt and Colman** eased a similar amount to 196p; the results are due on March 25.

Leisure issues were featured by **HTV A** which rose 6 to 97p after second thoughts about Thursday's interim results. **Management Agency and Music** eased 2 more to 136p while **LWT A** lost the turn to 122p, the latter to record a fall of 14 since Wednesday's announcement that News International had disposed of its 25 per cent holding in the shares.

Newspapers remained dull. **News International** fell 3 more to 158p, while **Daily Mail A** shed 5 to 470p. **International Thomson** lacked support with the Ordinary marked 16 lower at 444p, while the Convertible dropped 18 to 440p. Profit-taking left **More O'Ferrall** 7 off at 130p but still with a week's rise of 12. **Mills** *and Allen, interim results next* Thursday, gave up 12 to 308p.

Properties succumbed to the dull trend. **Land Securities**, 292p, **British Land**, 69p, **Peachey**, 131p, **Capital and Counties**, 96p, and **Fairview Estates** 238p, all declined 5, while **Berkeley Hambro** dipped 7 to 196p. By way of contrast, **London Provincial Shop** edged forward 2 more to 317p.

Oils on offer

Overshadowed by continuing fears of a wind-fall profits tax and by talk of a possible increase in petroleum revenue tax in the forthcoming Budget, Oil shares were quickly on the retreat. **BP**, 14 down at 352p, more than gave up the previous day's gain of 12 which followed the preliminary figures, while **Ultramar** followed a similar pattern and, at 506p, lost 16 of Thursday's advance of 22. **Shell**, 370p, and **Tricentrol**, 278p, gave up around 12, while **Burmah** were also noteworthy for a fall of 10 at 205p. **Edinburgh Securities** lost 7 to 148p follow*ing the proposed rights* issue, but news of the new bid approach from Hunt International Petroleum left **Viking Oil** ⅜ higher at £10½.

In Overseas Traders, **Lonrho** added 2 to 96p following the annual meeting. **Paterson Zochonis**, interim results due in the next Account, picked up 10 to 230p.

Still reflecting hopes of an increased bid, **Furness Withy** *improved 7 more to 385p for* a two-day gain of 15; the announcement of C. Y. Tung's increased bid of 420p cash per share came well after the market's close. Other Shipping shares, however, trended lower, **P. and O. Deferred** easing 2½ to 111p and **Ocean Transport** 3½ to 100p.

South African Gold shares took a pounding throughout the week, except for a technical rally on Wednesday. High interest rates *and a strong dollar prompted* a sharp decline in the bullion price over the five-day period and led to heavy local and overseas selling of Golds.

Yesterday, shares fell heavily from the outset as the bullion price dipped below $500 an ounce. A rally developed prior to the afternoon gold fixing as bullion recovered strongly following the South African Finance Minister's statement that South Africa is in a position to withhold suplies of bullion from international markets.

This rally petered out during the after-hours business, however, and prices resumed their downward trend. The Gold Mines index gave up 13.0 more to 286.5, a fall of 65.8, or 18.7 per cent over the week. Gold *closed a further* $25.50 lower at $530—a week's decline of $83.50.

The only Golds to show any resilience were the Union Corporation mines which anounced better-than-forecast interim dividends. **Kinross**, for example closed 18 better at 495p.

Financials took their cue from Golds. **Johnnies** dropped to £25¼ before rallying to close a net £2⅜ down at £26½, while **GFSA** fell almost £3 to £34.

London Financials encountered heavy selling at the outset but staged a good recovery later in the day. **Rio Tinto-Zinc** were finally 12 down for a week's loss of 50 at 360p, after 348p.

Platinums and Coppers fell heavily in the wake of the metal prices. After touching 210p, **Rustenburg** closed 16 off at 214p, down 79 over the week.

Australians provided features in **Hampton Areas** and **Leichardt Exploration**. The former advanced 17 to 372p after-hours following the North Sea oil discovery in which it has a 5 per cent stake. Leichardt, however, met renewed heavy selling and ended another 35 off at 240p for a drop of 360 on the week following concern over its South African diamond exploration *interests; the Adelaide Stock* Exchange has threatened to suspend the shares if the company does not release further details of Mopani, a South African company.

LONDON TRADED OPTIONS

Option	Ex'rcise price	April Closing offer	April Vol.	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Equity close
BP	325	28	2	—	—	—	—	351p
BP	350	16	43	—	—	—	—	"
BP	360	—	—	30	5	50	—	"
BP	• 375	9	25	—	—	—	—	"
BP	390	—	—	21	5	35	10	"
BP	400	5	14	—	—	—	—	"
Cons. Gold	360	118	5	134	9	—	—	469p
Cons. Gold	420	60	6	84	—	—	—	"
Cons. Gold	460	29	75	54	—	80	—	"
Cons. Gold	500	11	16	32	1	54	—	"
Cons. Gold	550	4	15	20	5	32	10	"
Courtaulds	80	2½	—	4½	11	6½	—	69p
GEC	330	61	—	68	5	80	—	370p
GEC	390	11	4	30	—	43	—	"
Grand Met.	140	2	—	8	1	11½	—	126p
Land Secs.	280	25	17	34	1	47	—	294p
Land Secs.	300	10	5	23	—	35	—	"
Marks & Sp.	100	2	—	5	1	8½	—	89p
Shell	360	17	2	34	—	44	—	367p
Shell	390	7	—	19	2	28	—	"
Shell	420	3	—	7	3	16	—	"
Totals			227		49		20	
		May		**August**		**November**		
Boots	200	8	1	14	—	20	—	188p
Racal Elec.	220	6½	3	15	—	25	—	205p
RTZ	300	75	5	85	—	—	—	352p
RTZ	360	32	31	48	2	65	—	"
RTZ	390	16	19	30	5	45	8	"
RTZ	420	9	2	20	—	24	—	"
RTZ	460	3	3	12	—	17	—	"
Total			54		7		8	

FINANCIAL TIMES STOCK INDICES

—	Mar. 14	Mar. 13	Mar. 12	Mar. 11	Mar. 10	Mar. 7	A year ago
Government Secs.	64.22	64.10	64.08	64.18	64.15	65.85	71.65
Fixed Interest	64.80	64.82	64.82	64.76	64.70	64.72	72.22
Industrial	439.9	447.0	444.9	455.6	452.3	456.7	510.9
Gold Mines	286.5	299.5	310.8	298.6	337.5	352.3	169.7
Ord. Div. Yield	7.79	7.65	7.58	7.42	7.48	7.39	5.54
Earnings, Yld. % (full)	20.07	18.62	18.80	18.42	18.55	17.87	14.75
P/E Ratio (net) (*)	6.05	6.56	6.50	6.63	6.59	6.65	8.65
Total bargains	17,420	18,460	19,041	20,284	20,341	23,075	—
Equity turnover £m	—	87.49	110.92	85.27	90.77	126.88	128.68
Equity bargains total	—	14,008	13,963	14,702	16,094	17,788	21,230

10 am 441.1. 11 am 441.5. Noon 442.1. 1 pm 441.3. 2 pm 440.8. 3 pm 440.7.

Latest Index 01-246 8026.

* Nil=5.82.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1979/80 High	1979/80 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	75.91 (4/5)	63.30 (10/12)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	77.76 (5/5)	64.06 (15/11)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	558.6 (4/5)	406.3 (15/11)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines	377.9 (28/2/80)	129.9 (17/4)	442.3 (22/5/67)	43.5 (26/10/71)

S.E. ACTIVITY

	Mar. 14	Mar. 13
—Daily		
Gilt Edged	105.3	116.3
Industrials	119.9	109.8
Speculative	57.0	42.2
Totals	80.1	76.1
5-d'y A'vr'ge		
Gilt Edged	131.4	127.3
Industrials	117.4	115.1
Speculative	58.4	56.4
Totals	82.3	82.9

RISES AND FALLS

	Yesterday Up	Yesterday Down	Yesterday Same	On the week Up	On the week Down	On the week Same
British Funds	71	3	16	252	65	133
Corpns. Dom. & Foreign Bonds	8	3	55	49	22	259
Industrials	112	452	831	770	1,702	4,509
Financial and Property	34	220	241	366	785	1,323
Oils	5	35	5	43	121	58
Plantations	2	6	20	11	52	77
Mines	15	108	31	122	436	203
Others	39	55	72	172	278	377
Totals	286	882	1,271	1,785	3,462	6,939

NEW HIGHS AND LOWS FOR 1979/80

NEW HIGHS (18)

COM'WEALTH & AFRICAN LOANS (1)
S. Rhod. 2½pc '65-70
BEERS (1)
Greenall Whitley
BUILDINGS (1)
Lawrence (W.)
ELECTRICALS (1)
Wholesale Fittings
ENGINEERING (1)
Bromsgrove Casting
INDUSTRIALS (5)
Bibby (J.) Royal Worcester
MacLellan (P. W.) *Scotcros*
Office & Electronic
NEWSPAPERS (2)
Bristol Eve. Post Haynes Publishing
SHIPPING (1)
Fisher (J.)
TEXTILES (1)
Mountleigh
TRUSTS (2)
City & Com. Inc. Rolinco Sub. Shares
OILS (1)
Viking Oil
MINES (1)
Hampton Areas

NEW LOWS (41)

AMERICANS (1)
GATX
CANADIANS (2)
Can. Imp. Bank *Can. Pacific 4pc Deb.*
BANKS (2)
Algemene Clive Discount
BEERS (1)
Allied Breweries
BUILDINGS (2)
Higgs & Hill Marchwiel
STORES (4)
Amber Day Kitchen Queen
Boardman (K. O.) Readicut
ELECTRICALS (4)
Chloride Group Philips' Lamps
Fidelity Radio Security Centres
ENGINEERING (4)
Austin (J.) Greenbank
Bullough *Wolf Electric Tools*
FOODS (2)
Bluebird Confectny. Robertson Foods
INDUSTRIALS (12)
Austin (F.) (Leyton) Norcros
Burco Dean Oce Finance Conv
Courtney, Pope Slumberland
Highgate & Job Solicitors' Law
Hyman (L. & J.) Unilever N.V.
Marshall (Loxley) A Utd. Guarantee
MOTORS (2)
York Trailer Dana Corp.
SHOES (1)
Allebone
TEXTILES (2)
Hicking Pentecost Pickles (W.)
TRUSTS (1)
Rosehaugh
MINES (1)
Rand London Coal

OPTIONS

DEALING DATES

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Mar. 3	Mar. 14	Jun. 12	Jun. 23
Mar. 17	Mar. 28	Jun 26	Jul 7
Mar. 31	Apr. 11	Jul. 10	Jul. 21

For rate indications see end of Share Information Service

Stocks favoured for the call included **Premier Oil**, **Howard Tenens**, **Mallinson-Denny**, **Shell**, **Lonrho**, **Rustenburg Platinum**, **Burmah**, **Furness Withy**, **Hawley Leisure**, **Otter Exploration**, **Town and City**, **Pleasurama**, **Debenhams**, **Swire Pacific A** and **KCA**. Puts were arranged in **Hampson Industries**, **BP**, **Ultramar**, **Shell** and **Burmah**, while doubles were *transacted* in **Rustenburg Platinum** and **Bath and Portland**.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Fri., Mar. 14, 1980 Index No.; Day's Change %; Est. Earnings Yield % (Max.); Gross Div. Yield % (ACT at 30%); Est. P/E Ratio (Net) — Thurs., Mar. 13; Wed., Mar. 12; Tues., Mar. 11; Mon., Mar. 10; Year ago (approx.) — Highs and Lows Index 1979-80 High, Low; Since Compilation High, Low
1 CAPITAL GOODS (172)	[illegible]
2 Building Materials (28)	[illegible]
3 Contracting, Construction (28)	[illegible]
4 Electricals (15)	[illegible]
5 Engineering Contractors (11)	[illegible]
6 Mechanical Engineering (74)	[illegible]
8 Metals and Metal Forming (16)	[illegible]
CONSUMER GOODS	
11 (DURABLE) (50)	[illegible]
12 Lt. Electronics, Radio, TV (15)	[illegible]
13 Household Goods (14)	[illegible]
14 Motors and Distributors (21)	[illegible]
CONSUMER GOODS	
21 (NON-DURABLE) (173)	[illegible]
22 Breweries (14)	[illegible]
23 Wines and Spirits (6)	[illegible]
24 Entertainment, Catering (17)	[illegible]
25 Food Manufacturing (19)	[illegible]
26 Food Retailing (15)	[illegible]
32 Newspapers, Publishing (13)	[illegible]
33 Packaging and Paper (15)	[illegible]
34 Stores (43)	[illegible]
35 Textiles (24)	[illegible]
36 Tobaccos (3)	[illegible]
37 Toys and Games (5)	[illegible]
41 OTHER GROUPS (97)	[illegible]
42 Chemicals (17)	[illegible]
43 Pharmaceutical Products (7)	[illegible]
44 Office Equipment (6)	[illegible]
45 Shipping (10)	[illegible]
46 Miscellaneous (57)	[illegible]
49 INDUSTRIAL GROUP (492)	[illegible]
51 Oils (8)	[illegible]
59 500 SHARE INDEX	[illegible]
61 FINANCIAL GROUP (118)	[illegible]
62 Banks (6)	[illegible]
63 Discount Houses (10)	[illegible]
64 Hire Purchase (5)	[illegible]
65 Insurance (Life) (10)	[illegible]
66 Insurance (Composite) (9)	[illegible]
67 Insurance Brokers (10)	[illegible]
68 Merchant Banks (14)	[illegible]
69 Property (45)	[illegible]
70 Miscellaneous (9)	[illegible]
71 Investment Trusts (109)	[illegible]
81 Mining Finance (4)	[illegible]
91 Overseas Traders (19)	[illegible]
99 ALL-SHARE INDEX (750)	[illegible]

FIXED INTEREST PRICE INDICES

British Government	Fri., Mar. 14	Day's change %	xd adj. today	xd adj. 1980 to date
1 Under 5 years	[illegible]	[illegible]	[illegible]	[illegible]
2 5-15 years	[illegible]	[illegible]	[illegible]	[illegible]
3 Over 15 years	[illegible]	[illegible]	[illegible]	[illegible]
4 Irredeemables	[illegible]	[illegible]	[illegible]	[illegible]
5 All stocks	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST YIELDS British Govt. Av. Gross Red.	Fri., Mar. 14	Thurs., Mar. 13	Year ago (approx.)	1979-80 Highs	1979-80 Lows
1 Low Coupons 5 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2 Low Coupons 15 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3 Low Coupons 25 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4 Medium Coupons 5 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5 Medium Coupons 15 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
6 Medium Coupons 25 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7 High Coupons 5 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
8 High Coupons 15 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
9 High Coupons 25 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
10 Irredeemables	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

	Fri., March 14 Index No.	Yield %	Thur. Mar. 13	Wed. Mar. 12	Tues. Mar. 11	Mon. Mar. 10	Fri. Mar. 7	Thur. Mar. 6	Wed. Mar. 5	Year ago (approx.)	1979-80 Highs	1979-80 Lows	Since Compilation Highs	Since Compilation Lows
15 20-yr. Red. Deb. & Loans (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
16 Investment Trust Prefs. (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
17 Coml. and Indl. Prefs. (20)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1979/80 High	1979/80 Low	Stock	Closing Price p	+ or −	Div. P. or Amount	Times Covered	Gross Yield	P.E. Ratio
[illegible]											

FIXED INTEREST STOCKS

Issue Price £	Amount Paid Up	Latest Renunc. Date	1979/80 High	1979/80 Low	Stock	Closing Price £	+ or −
[illegible]							

"RIGHTS" OFFERS

Issue Price p	Amount Paid Up	Latest Renunc. Date	1979/80 High	1979/80 Low	Stock	Closing Price p	+ or −
[illegible]							

[illegible]

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

Schroder Life Group
Enterprise House, Portsmouth. 0705 27733

[illegible]

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
72-80, Gatehouse Rd., Aylesbury 0296 5941

Abbey Amer. Gth. Tst.	46.2	48.9	-1.3	2.04
Abbey Capital	35.6	38.5	-0.4	5.73
Abbey General	46.2	49.4	-0.4	5.99
Abbey Gilt & F.I. Tst.	98.7	105.0	+0.3	4.76
Abbey Income	41.3	44.6	-0.1	8.63
Abbey Intl. Bd. Tst.	94.0	98.4	+0.6	5.59
Abbey Inv. Tst. Fnd.	37.1	40.1	-0.3	5.91
Equitas Prog. Trust	68.2	73.7	-0.7	5.90

Allen Harvey & Ross Unit Tst. Mngrs.
45, Cornhill, London EC3V 3PB. 01-623 6314.

AHR Gilt & Pref.	89.4	74.2xd	.....	13.39

Allied Hambro Group (a) (g)
Hambro Hse., Hutton, Brentwood, Essex.
01-588 2851 or Brentwood (0277) 211459

Balanced Funds				
Allied 1st	74.0	79.2xd	-0.6	6.06
Brit. Inds. Fund	68.2	73.0	-0.5	6.16
Growth & Income	40.6	43.4	-0.4	5.81
Elect. & Ind. Dev.	37.6	40.2	-0.4	5.22
Allied Capital	76.1	81.4	-0.7	5.41
Hambro Fund	115.6	123.7	-1.1	6.52
Hambro Acc. Fund	141.0	150.9	-1.5	5.57
Income Funds				
High Yield Fd.	67.7	72.4xd	-0.2	10.22
High Income	68.0	72.8xd	-0.5	8.10
A. H. Eq. Inc.	40.6	43.4	-0.4	8.04
International Funds				
International	27.2	29.1	-0.2	3.72
Pacific Fund	43.0	46.0	-0.8	2.69
Secs. Of America	57.0	61.0	-0.3	2.30
Specialist Funds				
Smaller Co.'s Fd.	48.3	51.7	-0.1	4.55
2nd Smlr. Co's Fd.	56.9	60.9xd	-0.3	4.68
Recovery Sits.	113.4	121.3	-0.6	6.39
Met. Min. & C'dty.	56.8	60.5	-1.4	4.85
Overseas Earnings	57.5	61.5	-0.5	5.53
Exempt Funds				
Far East Exempt	50.9	52.9	-0.4	3.35
Smaller Co. Exempt	74.7	78.4	-0.1	4.97
U.S.A. Exempt	100.0	104.0xd	-0.1	3.37

Anderson Unit Trust Managers Ltd.
158, Fenchurch St., EC3M 6AA. 623 9231

Anderson U.T.	56.5	61.1	.....	5.22

Ansbacher Unit Mgmt. Co. Ltd.
1, Noble St., EC2V 7JA. 01-623 6376

Inc. Monthly Fund	155.0	165.0xd	.....	11.94

Arbuthnot Securities Ltd. (a)(c)
37, Queen St., London, EC4R 1BY. 01-236 5281

High Yield	41.2	44.4xd	.....	12.22
(Accum. Units)	67.7	73.1xd	.....	12.22
Extra Income Fd	93.1	100.5	-1.8	11.00
(Accum. Units)	100.8	108.8	-1.9	11.00
High Inc. Fund	35.1	37.9xd	.....	10.73
(Accum. Units)	54.9	59.2xd	-0.2	10.73
(8½% W'drwl. Uts.)	46.4	50.1xd	-0.1	10.73
Preference Fund	21.5	23.4	.....	14.00
(Accum. Units)	38.2	41.6	.....	14.00
Capital Fund†	24.1	26.0	.....	—
Commodity Fund***	76.4	83.2	-5.7	3.35
(Accum. Units)	115.7	126.1	-8.5	3.35
(10% W'drwl.U.)	61.1	66.6	-4.6	3.35
Fin.&Prop.Fd.*	20.4	22.0	.....	4.93
Giants Fund	36.6	39.5	-0.5	4.30
(Accum. Units)	45.8	49.4	-0.7	4.30
Growth Fund	33.7	36.3	-0.3	4.40
(Accum. Units)	42.6	46.0	-0.3	4.40
Smaller Co's Fd*	28.9	31.6	.....	4.81
Eastern & Intl. Fd†	27.8	30.0	.....	1.00
(6% W'drwl.Uts.)	20.0	21.6	.....	1.00
Foreign Fund**	105.8	115.1	.....	1.57
N. Amer. & Int. Fd††	28.4	31.0	.....	1.00
Gilt & Fixed Int.*	39.4	43.2	.....	6.49
(Accum. Units)	40.4	44.2	.....	6.49

Dealings: †Tues. *Weds. ††Thurs. **Second Thurs. in month. ***Weekly dealing day Friday.

Archway Unit Tst. Mgs. Ltd.♥ (a)(c)
317, High Holborn, WC1V 7NL. 01-831 6233

Archway Fund	99.4	106.9	.....	5.70

Prices at March 13. Next sub. day March 20.

Barclays Unicorn Ltd.♥ (a)(c)(g)
Unicorn Ho. 252, Romford Rd., E7. 01-534 5544

Unicorn America	29.5	31.7	.....	2.11
Do. Aust. Acc.	97.6	104.9	-2.7	1.71
Do. Aust. Inc.	75.3	80.9	-2.1	1.71
Do. Capital	71.4	76.7xd	-1.0	5.57
Do. Exempt Tst.	114.8	119.5	-0.8	7.37
Do. Extra Income	29.5	31.8	-0.1	9.29
Do. Financial	81.8	87.9	-1.0	4.32
Do. 500	83.3	89.5xd	-0.3	6.85
Do. General	36.6	39.3	-0.4	6.49
Do. Growth Acc.	50.5	54.3	-0.5	5.10
Do. Income Trust	90.3	97.6xd	-0.5	7.60
Do. Prf. A'ns. Tst.	199.0	211.6	-3.6	4.04
Do. Recovery	50.0	53.7	-0.4	6.55
Do. Trustee Fund	126.0	135.4	-1.2	6.05
Do. W'ldwide Tst.	47.7	51.2	-0.7	4.08
B'tst. In. Fd. Inc.	65.6	68.3	-0.8	6.27
Do. Accum.	79.7	83.0	-1.0	6.27

Baring Brothers & Co., Ltd.♥ (a)(x)
88, Leadenhall St., EC3. 01-588 2830

Stratton Trust	212.6	221.8xd	.....	4.64
Do. Accum.	279.8	291.6xd	.....	4.64

Next sub. day Mar. 4.

Bishopsgate Progressive Mgmt. Co.♥
9, Bishopsgate, EC2. 01-588 6280

B'gate Pr.** Mar. 4	252.3	268.8	.....	5.79
Acc. Uts.** Mar. 4	311.8	331.7	.....	5.79
B'gate Int. *Mar. 11	231.7	246.1xd	.....	2.84
(Accum.) *Mar. 11	263.5	279.8	.....	2.84

Next sub. day *March 25. **March 18.

Bridge Fund Managers (a)(c)
Regis Hse., King William St., EC4. 01-623 4951

Amer. Gen.	25.4	27.1	.....	1.68
Income*	54.6	59.4	.....	8.42
Capital Inc.†	45.7	48.7	.....	3.08
Do. Acc.†	52.4	55.8	.....	3.08
Exempt†	143.0	153.0	.....	6.07
Internatl. Inc.†	17.6	18.8	.....	3.86
Do. Acc.†	20.3	21.6	.....	4.10

Dealing *Tues. †Wed. ‡Thurs. Prices March 11/12/13.

Britannia Trust Management (a)(g)(z)
3, London Wall Buildings, London Wall,
London EC2M 5QL. 01-638 0478/0479

Assets	87.3	97.9	-0.6	6.73
Capital Acc.	65.8	70.7	-0.8	5.03
Comm & Ind	59.5	64.0	-0.5	6.17
Commodity	124.8	134.2	-2.7	3.45
Domestic	44.3	47.6	-0.3	5.10
Exempt	121.9	128.4	-0.6	8.27
Extra Income	36.0	38.7xd	-0.1	11.69
Far East	21.9	23.5xd	-0.3	2.87
Financial Secs.	73.4	78.9	-0.5	2.56
Gold & General	149.9	163.0	-16.7	6.37
Growth	94.7	101.8	-1.7	5.40
Inc. & Growth	69.3	75.1	-0.6	9.16
Int'l Growth	64.6	69.5	-1.1	3.40
Invest. Tst. Shares	48.7	52.4	-0.2	4.88
Minerals	67.4	73.3xd	-9.1	4.56
Nat. High Income	71.4	76.8	-3.8	10.68
Special Situations	41.2	44.3	-2.8	5.54
North American	30.5	32.8	-0.1	2.24
Professional	730.4	753.0	-7.2	5.86
Property Shares	19.7	21.1xd	-0.2	2.83
Shield	51.3	55.1xd	-1.0	5.91
Status Change	33.0	35.5xd	-0.1	5.13
Univ Energy	61.2	65.8	-2.1	1.75

The British Life Office Ltd♥ (a)
Reliance Hse., Tunbridge Wells, Kt. 0892 22271

BL British Life	54.8	58.0	-0.7	6.41
BL Balanced*	54.1	57.8	.....	6.38
BL Dividend*	37.7	40.2	.....	10.27

*Prices Mar. 5. Next dealing Mar. 12.

Brown Shipley & Co. Ltd.♥
Harlands Hse., Haywards H'th, Sx. 0444-58144

BS Units March 11	241.2	256.6xd	.....	5.42
Do. (Accum.) March 11	325.0	344.5	.....	5.42
Oceanic Trusts (a) (g)				
Financial	42.2	44.7xd	-0.1	4.14
General	22.5	23.9	-0.2	4.87
Growth Accum.	57.2	60.6	-0.6	—
Growth Income	43.0	45.6	-0.4	4.73
High Income	26.7	29.0xd	-0.1	11.33
I.T.U.	20.3	21.5xd	-0.7	5.34
Index	25.2	26.7	-0.2	5.14
Overseas	20.3	21.5	-0.1	4.57
Performance	59.4	63.0	-0.8	3.28
Recovery	21.1	22.4	-0.1	8.45
Exempt Mar. 10	67.5	70.3	.....	5.86

Canada Life Unit Trst. Mngrs. Ltd.♥
2-6 High St., Potters Bar, Herts. P. Bar 51122

Can. Gen Dist.	40.9	43.1	-0.4	3.66
Do. Gen. Accum	53.5	56.3	-0.6	3.66
Do. Income Dist.	32.5	34.2	-0.2	9.31
Do. Inc. Accum.	46.3	48.7	-0.8	9.31

Capel (James) Mngt. Ltd.♥
100, Old Broad St., EC2N 1BQ 01-588 6010

Capital	88.4	94.1xd	.....	5.69
Income	79.1	84.2xd	.....	8.75
North American	94.7	100.8xd	.....	2.60

Prices on Mar. 5. Next dealing Mar. 19.

Carliol Unit Fd. Mgrs. Ltd.♥ (a)(c)
Milburn House, Newcastle-upon-Tyne 21165

Carliol Hgh. Yld.	38.6	41.1xd	.....	8.58
Do. Accum. Units	55.3	57.8	.....	8.58

Next dealing date March 19.

Charinco Charities N/R Fund‡‡
15, Moorgate, London, EC2. 01-638 4121

Income Feb. 29	117.26xd	—	.....	12.22
D. Accum. Feb. 29	171.18	—	.....	12.22

Charities Official Invest. Fund‡‡
77 London Wall, EC2N 1DB. 01-588 1815

Income Feb. 19		140.10	.....	8.33
Accum. Feb. 19		314.41	.....	—

Chieftain Trust Managers Ltd♥ (z)(g)
11, New St., EC2M 4TP. 01-283 2632

American(z)	21.9	23.8	-0.3	2.68
Far Eastern Trust(z)	21.8	23.7	-0.3	1.05
High Income	37.5	41.0	-0.3	10.59
International Trust (z)	29.4	32.0	-1.3	1.80
Basic Resources Tst.	47.1	51.3xd	-1.8	2.42
Incm. Growth Tst.	24.2	26.4	-0.1	8.00
Pref. & Gilt Tst.	22.1	24.0	.....	13.71
Smaller Co's Trust	24.7	26.7	.....	4.29

Confederation Funds Mgt. Ltd. (a)
50, Chancery Lane, WC2A 1HE. 01-242 0282

Growth Fund	59.9	63.0	.....	4.63

Cosmopolitan Fund Managers (z)
57-63 Princes St., Manchester. 061-236 5685

Growth	14.4	15.6	-0.8	6.89
Income	40.8	43.1	.....	12.20
Overseas	63.5	68.6xd	.....	1.84

Craigmount Unit Tst. Mgrs. Ltd.
40 Bucklersbury, London EC4N 8BD. 01-248 4984

High Income	38.9	42.6	-0.4	10.00
North American	49.4	53.5xd	-0.5	2.74
Canadian Exempt*	59.9	63.6	.....	2.85
Canadian Trust	57.7	62.5	-1.0	2.85
Mid Mount High Inc*.	46.5	49.2xd	.....	9.10
Recovery	50.9	55.3	-0.2	5.20
Gilt Trust	44.0	45.6xd	.....	11.40

*Weekly dealing day Wednesday.

Crescent Unit Tst. Mngrs. Ltd. (a)(g)
4 Melville Cres., Edinburgh 3 031-226 4931

Cres. Amer. Fd.	25.6	27.6	+0.1	1.36
Cres. Internat'l.	56.1	60.5	.....	2.89
Cres. High. Dist.	41.3	44.6	-0.5	10.93
Cres. Reserves	42.1	45.4	-0.5	6.35
Cres. Tokyo	17.5	18.9	.....	1.00

NOTES

Prices are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♥ Net of tax on realised capital gains unless indicated by ♦. ¶ Guernsey gross. # Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies.

Discretionary Unit Fund Managers
22 Blomfield St., EC2M 7AL. 01-638 4485

Disc. Inc. Mar. 7	214.1	228.4	.....	5.31

E. F. Winchester Fund Mngt. Ltd.
44, Bloomsbury Square, WC1A 2RA 01-623 8893

Great Winchester	17.4	19.3	.....	7.38
Gt. Winchester O'seas	20.3	22.4	.....	5.43

Emson & Dudley Tst. Mngmnt. Ltd.
28b Albemarle St., W1. 01-493 3211

Emson Dudley Tst.	77.4	83.2	.....	6.00

Equity & Law Un. Tr. M.♥ (a)(b)(c)
Amersham Rd., High Wycombe. 0494 33377

Equity & Law	72.1	75.8xd	-2.0	5.43

Fidelity International Management Ltd.
62-63, Queen St., London, EC4R 1AD 01-248 4891

American	24.7	26.1	+0.1	[illegible]
Fixed Interest	25.2	26.6	.....	[illegible]
Growth + Income	29.1	30.7	-0.1	[illegible]
Special Sits.	28.2	29.7	-0.3	[illegible]

James Finlay Unit Trust Mngt. Ltd.
10-14, West Nile Street, Glasgow. 041-204 1321

J. Finlay Internat'l	27.0	29.0	.....	[illegible]
Accum. Units	32.7	35.2	.....	[illegible]
J. Finlay High Income	33.8	36.3	.....	[illegible]
J. Finlay Euro.Fin.	21.4	23.0	.....	[illegible]
Accum. Units	26.4	28.4	.....	[illegible]
J. Finlay Fd.In.Tst.	32.4	34.6	.....	[illegible]
Accum. Units	39.1	42.0	.....	[illegible]

Prices on March 12. Next dealing March 19.

Framlington Unit Mgt. Ltd. (a)
64, London Wall, EC2M 5NQ. 01-628 5181

American	49.6	52.6	.....	[illegible]
American Turnaround	50.0	53.0	.....	[illegible]
Capital Tst.	52.2	56.4xd	-0.2	[illegible]
(Accum. Units)	53.0	56.2	-0.4	[illegible]
Extra Income Trust	48.2	51.2	-0.4	[illegible]
Income Tst.	37.2	39.4	-0.2	[illegible]
Int. Growth Fd.	42.8	45.4	.....	[illegible]
(Accum. Units)	45.2	48.0	+0.2	[illegible]

Friends' Provdt. Unit Tr. Mgrs.♥
Pixham End, Dorking. 0306 5055

Friends Prov. Units	47.9	51.2	-0.6	[illegible]
Do. Accum.	66.0	70.5	-0.9	[illegible]

Funds in Court*
Public Trustee, Kingsway, WC2. 01-405 4300

Capital Mar. 13	114.5	117.6	-4.0	[illegible]
Gross Inc. Mar. 13	73.7	76.1	-1.4	[illegible]
High Yield Mar. 13	62.8	65.8xd	-2.6	[illegible]

*Unauth. Restricted to monies under Court control.

G.T. Unit Managers Ltd.♥
16 Finsbury Circus, EC2M 7DD 01-628 8131

G.T. Cap. Income	114.4	121.6	-3.2	[illegible]
Do. Acc.	143.8	152.9	-4.0	[illegible]
G.T. Inc. Fd. Un.	165.7	176.2xd	-7.9	[illegible]

INSURANCE PROPERTY BONDS

Continued on previous page

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

[illegible]

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

INTERNATIONAL BANK

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH & AFRICAN LOANS

[illegible]

LOANS

Public Board and Ind.

[illegible]

Financial

103¼	96	FFI 13pc 1981	96¾	......	13.44	16.99
108¼	93½	Do. 14pc '83	94¾	......	14.77	15.85
86½	77½	ICFC 5½pc Deb. '80-82	81xd	......	6.79	14.87
85	69	Do. 6¼pc Db. '81-84	73½	......	8.77	15.00
99	79½	Do. 10½pc Uns.Ln. '86	84	+½	12.82	15.30
99	77	Do. 11pc Uns.Ln. '88	83	......	13.59	14.75
101½	80	Do. 11¾pc Uns.Ln. '90	85½	......	14.12	15.10
72½	54½	Do. 7¼pc A Deb. '89-92	58	−½	13.03	15.20
69	51½	Do. 7¼pc A Db. '91-94	54xd	−½	13.43	15.30
72	64	Do. 9pc 'A' '91-94	65xd	......	13.85	15.00
78½	61	Do. 8¾pc Ln. '92-97	62xd	......	14.31	15.00
102	84½	Do. 12½pc. Uns. Ln. 1992	84½xd	......	14.79	15.40

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

BANKS AND HIRE PURCHASE

[illegible]

110	42	Clive Dis'nt 20p	43	−4	5.33	—	17.7	—
224	121	Com'l Aus. ($A1)	140	......	†018c	3.0	6.7	4.9
*935	850	Com'zbk DM 10	850	......	Q26.6%	—	8.2	—
£18½	875	C'hgn. Hbk. Kr100	875	......	Q13%	—	15.3	—
41	20	Corinthian 10p	30	......	†1.05	5.9	5.0	3.5
£24¾	£15	Cred. France F75	£17	......	Q12.5%	—	6.1	—
13	5	Dawes (G. R.)	12	......	—	—	—	—
*£119½	£60½	Deutsche Bank DM50	£61	+½	Q28.12%	—	6.0	—
90	55	F. C. Finance	60	......	2.2	4.9	5.2	5.5
17	5¾	First Nat. 10p	14¼	......	—	—	—	0.9
4	1½	Do. Wrrts. 75-83	2	......	—	—	—	—
266	178	Gerrard Natnl.	206	......	†9.12	—	6.3	—
84	38	Gibbs (A.)	82	......	2.2	—	3.8	—

BANKS & HP—Continued

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

CHEMICALS, PLASTICS—Cont.

[illegible]

DRAPERY AND STORES

[illegible]

ELECTRICALS

[illegible]

ENGINEERING MACHINE TOOLS

[illegible]

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

FOOD, GROCERIES—Cont.

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

FINANCIAL TIMES

PUBLISHED IN LONDON & FRANKFURT

Head Office: The Financial Times Limited, Bracken House, 10 Cannon Street, London EC4P 4BY
Telex: Editorial 8954871. Advertisements: 885033. Telegrams: Finantimo, London.
Telephone: 01-248 8000.
Frankfurt Office: The Financial Times (Europe) Ltd., Frankenallee 68-72, 6000 Frankfurt-am-Main 1.
Telex: Editorial 416052. Commercial 416193. Telephone: Editorial 7598 234. Commercial 7598 1.

INTERNATIONAL AND BRITISH OFFICES

EDITORIAL OFFICES

Amsterdam: P.O. Box 1296, Amsterdam-C. Telex 16527 Tel: 276 796
Birmingham: George House, George Road. Telex 338650 Tel: 021-454 0922
Bonn: Presshaus 11/104 Heussallee 2-10. Telex 8869542 Tel: 210039
Brussels: 39 Rue Ducale. Telex 23283 Tel: 512-9037
Cairo: P.O. Box 2040. Tel: 938510
Dublin: 8 Fitzwilliam Square. Telex 5414 Tel: 785321
Edinburgh: 37 George Street. Telex: 72484 Tel: 031-226 4120
Frankfurt: Frankenallee 71-81 Telex: 416052 Tel: 7598 234
Johannesburg: P.O. Box 2128 Telex 8-6257 Tel: 838-7545
Lisbon: Praca de Algeria 58-1D, Lisbon 2. Telex: 12533 Tel: 362 508
Madrid: Espronceda 32, Madrid 3. Tel: 441 6772
Manchester: Queen's House, Queen Street. Telex: 666813 Tel: 061-834 9381
Mexico: Paseo de la Reforma 122-10, Mexico 6DF. Tel: 53513-68
Moscow: Kutuzovsky 14, Apartment 1, Moscow. Telex: 7900 Tel: 243 1635
New York: 75 Rockefeller Plaza, N.Y. 10019. Telex: 66390 Tel: (212) 541 4625
Paris: 36 Rue du Sentier, 75002. Telex: 220044 Tel: 236.57.43
Rome: Via della Mercede 55. Telex: 610032 Tel: 678 3314
Stockholm: c/o Svenska Dagbladet, Raalambsvagen 7. Telex 17603 Tel: 50 60 88
Tehran: P.O. Box 11-1879. Telex 213930 Tel: 682698
Tokyo: 8th Floor, Nihon Keizai Shimbun Building, 1-9-5 Otemachi, Chiyoda-ku. Fax Tel: 241 2920
Washington: 914 National Press Building, Washington D.C. 20045 Telex 440340 Tel: (202) 47 8676

ADVERTISEMENT OFFICES

Birmingham: George House, George Road. Telex 338650 Tel: 021-454 0922
Edinburgh: 37 George Street. Telex: 72484 Tel: 031-226 4139
Leeds: Permanent House, The Headrow. Tel: 0532 454969
Manchester: Queen's House, Queen Street. Telex 666813 Tel: 061-834 9381
Frankfurt: Frankenallee 68-72 Telex: 416193 Tel: 7598 1
New York: 75 Rockefeller Plaza, N.Y. 10019 Telex 238409 Tel: (212) 489 8300
Paris: 36 Rue du Sentier, 75002. Telex 220044 Tel: 236.86.01
Tokyo: Kasahara Building, 1-6-10 Uchikanda, Chiyoda-ku. Telex J27104 Tel: 295 4050

Overseas advertisement representatives in
Central and South America, Africa, the Middle East, Asia and the Far East.
For further details, please contact:
Overseas Advertisement Department,
Financial Times, Bracken House, 10 Cannon Street, London EC4P 4BY

SUBSCRIPTIONS

Copies obtainable from newsagents and bookstalls worldwide or on regular subscription from Subscription departments—Financial Times in London, Frankfurt and New York

For Share Index and Business News Summary in London, Birmingham, Liverpool and Manchester, Tel: 246 8026

INDUSTRIALS—Continued

[illegible]

INSURANCE

[illegible]

INSURANCE—Continued

[illegible]

LEISURE

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INVESTMENT TRUSTS—Cont.

[illegible]

Finance, Land, etc.

[illegible]

FINANCE, LAND—Continued

[illegible]

OIL & GAS

[illegible]

OVERSEAS TRADERS

[illegible]

RUBBERS AND SISALS

[illegible]

TEAS

India and Bangladesh

[illegible]

Sri Lanka

[illegible]

Africa

[illegible]

MINES

CENTRAL RAND

[illegible]

EASTERN RAND

[illegible]

FAR WEST RAND

[illegible]

O.F.S.

[illegible]

FINANCE

[illegible]

DIAMOND AND PLATINUM

[illegible]

MINES—Continued

CENTRAL AFRICAN

1979-80 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
430	97	Coronation	290	−40	†Q54c	2.2	11.1
680	132	Falcon Rh.50c	650	+20	†Q100c	1.7	11.9
48	11	Rhod'n Corp. 16½p.	39xd	+1	0.56	8.5	2.0
267	70	Roan Cons. K4	180	−10	†Q0.12	ϕ	4.2
67	26	Wankie Col. Rh.1	58	−1	Q9c	1.5	10.7
57	9	Zam.Cpr SBD0.24	31	−3	—	—	—

AUSTRALIAN

1979-80 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
28	18	Acmex 50c	22	−1	—	—	—
24	4	ACM 20c	16	−1	—	—	—
115	50	Bond Corp.	85	......	Q3.75	2.2	2.2
234	100	Bougainville 50 Toea	162	−2	†Q2½c	ϕ	13.0
265	84	BH South 50c	200	......	ϕ—	—	—
25	11½	Canada Northwest	14	−2½	—	—	—
54	8	Carr Boyd 20c	22	......	—	—	—
£36	340	Central Pacific	£17½	−1¼	—	—	—
356	170	Conzinc Riotinto 50c.	246	......	Q15c	ϕ	3.2
39	14	Cultus Pacific N.L.	28	......	—	—	—
*50	2½	Eagle Corp. 10c	28	−2	—	—	—
26¼	11	Endeavour 20c	19	−1	—	—	—
258	62	G. M. Kalgoorlie 25c	198	−8	†Q3c	—	0.8
372	148	Hampton Areas 5p.	372	+27	3.5	2.8	1.3
75	20	Haoma Gold N.L.	36	+1	—	—	—
72	25	Metals Ex. 50c	59	−1	—	—	—
314	134	M.I.M. Hldgs. 50c	220	−5	†Q16.1c	1.8	3.7
35	15	Minefields Expl.	32	−2	—	—	—
155	30	Mount Lyell 25c	80	−5	—	—	—
44	13	Newmetal 20c	20	−2	—	—	—
210	91	††North B. Hill 50c.	152	−10	Q12c	1.4	4.0
80	7½	Nth. Kalgurli	47	−4	—	—	—
165	45	Nth. Mining Corp.	105	−25	—	—	—
71	18	N. West Mining N.L.	32	−2	—	—	—
235	76	Oakbridge $A1	123	−6	Q12c	4.7	3.4
122	22	Otter N. L.	86	−9	—	—	—
246	58	Pacific Copper	156	−14	—	—	—
*575	125	Pancont'l 25c	300	−35	—	—	—
*78	2	Paringa M&Ex.5p	59	−2	—	—	—
495	248½	Peko-Wallsend 50c.	380	−20	†Q17.5c	ϕ	2.4
230	125	Sellrust A	155	−10	—	—	—
£10½	145	Southern Pacific	687	−13	—	—	—
*75	8½	Swan Resources 20c.	50	−2	—	—	—
16	12	West Coast 25c	12	−1	—	—	—
268	121	Westn. Mining 50c.	204xd	−7	†Q7c	1.6	1.9
30	8	Westmex	18	−2	—	—	—
94	40	Whim Creek 20c.	77	......	—	—	—
25	10½	York Resources	15	−1	—	—	—

TINS

1979-80 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
34	23	Amal. Nigeria	33	......	t6.0	1.9	26.0
435	265	Ayer Hitam $M1	290xd	−10	‡Q290c	0.9	‡
72	48	Berali Tin	58	......	4.5	ϕ	11.1
270	149½	Berjuntal $M1	170	......	‡Q95c	1.0	‡
230	125	Geevor	215	−5	8.71	3.1	5.8
11	8	Gold & Base 12½p.	10½	......	—	—	—
365	295	Gopeng Cons.	335	−15	25.0	1.8	10.7
370	289	Hongkong	300	......	35.87	ϕ	17.1
105	64	Idris 10p	100	......	28.0	ϕ	11.4
15	9½	Jantar 12½p	14	......	—	—	—
95	38	Kamunting $M0.50.	72	−3	Q47½c	1.1	14.8
620	210	Killinghall $M1	320	......	ZQ60c	—	3.8
655	365	Malay Dredging $M1	645	−10	†Q105c	2.6	3.3
57	26	Pahang	28	+1	0.44	0.3	2.3
123	60	Pengkalen 10p	95	......	6.0	1.3	9.0
290	195	Petaling $M1	285	−5	Q150c	1.4	10.7
87	53	Saint Piran	63	−2	‡2.5	6.4	‡
58	34	South Crofty 10p	37	−2	‡3.0	2.0	‡
255	170	South Kinta $M0.50.	220	−15	Q150c	1.0	13.9
430	285	Sthn Malayan $M1.	390	−5	Q175c	2.1	9.1
310	210	Sungei Besi $M1.	270	−10	†Q520c	1.0	39.4
75	25	Supreme Corp. $M1.	43	......	ZQ10c	—	4.7
105	93	Tanjong 15p	95	......	Z4.5	ϕ	6.8
115	80	Tongkah H. Tin	80	......	Q45c	1.3	12.6
280	190	Tronoh $M1	255	−5	†Q25c	5.2	2.0

COPPER

1979-80 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
235	56	Messina R0.50	195	−5	Q10c	ϕ	2.9

MISCELLANEOUS

1979-80 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
160	78½	Anglo-Dominion	145	−5	—	—	—
97	54	Barymin	77	−3	—	—	—
14½	10	Burma Mines 17½p	14	......	—	—	—
502	170	Cons. Murch. 10c.	390	−38	Q100c	ϕ	14.7
585	260	Northgate C$1	430	......	—	—	—
492	226	R.T.Z.	360	−12	†11.5	3.4	4.6
32	12	Robert Mines	31	+3	—	—	—
65	26	Sabina Inds. C$1.	42	+2	—	—	—
880	470	Tara Expln. $1	550	......	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- †† Unlisted security.
- ¢ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ✣ Regional price.
- II No par value.

§§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1978-79. K Figures based on prospectus or other official estimates for 1979-80. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Albany Inv. 20p	28	......
Bertam	29	......
Bdg'wtr. Est 50p	385	+5
Clover Croft	60	......
Craig & Rose £1	£10½	......
Fife Forge	96	......
Finlay Pkg. 5p	22	......
Graig Ship. £1	£10½	......
Higsons Brew	90	......
Holt (Jos) 25p	255	......
I.O.M. Stm. £1	160	......
Pearce (C. H.)	400	......
Peel Mills	37	......
Sheff. Refrshmt	97½	......
Sindall (Wm.)	145	......

IRISH

Conv. 9% '80/82	£86¼	......
Nat. 9¾% 84/89	£78¾	......
Fin. 13% 97/02	£78	......
Alliance Gas	60	......
Arnott	400	......
Carroll (P.J.)	51	......
Clondalkin	105	−1
Concrete Prods.	85	−3
Heiton (Hldgs.)	34	......
Ins. Corp.	235	......
Irish Ropes	80	......
Jacob	36	......
T.M.G.	143xd	......
Unidare	103	......

OPTIONS

3-month Call Rates

Industrials

A. Brew	8
BOC Intl.	6
B.S.R.	5
Babcock	12
Barclays Bank	30
Beecham	13
Blue Circle	25
Boots	17
Bowaters	16
B.A.T.	25
Brown (J.)	7
Burton 'A'	22
Cadburys	5½
Courtaulds	8
Debenhams	8
Distillers	21
Dunlop	5½
Eagle Star	14
F.N.F.C.	2½
Gen. Accident	21
Gen. Electric	30
Glaxo	40
Grand Met.	12
G.U.S. 'A'	30
Guardian	23
G.K.N.	22
Hawker Sidd	16
House of Fraser	12
I.C.I.	32
"Imps"	7
I.C.L.	45
Inveresk	5
Ladbroke	15
Legal & Gen.	14
Lex Service	10
Lloyds Bank	24
"Lofs"	3½
London Brick	6
Lucas Inds.	20
"Mams"	14
Mrks. & Spncr	9
Midland Bank	30
N.E.I.	5
Nat. West. Bank	32
P & O Dfd.	9
Plessey	16
Racal Elect.	20
R.H.M.	4½
Rank Org.	18
Reed Intnl.	17
Sears	5½
Tesco	7
Thorn	25
Trust Houses	14
Tube Invest.	27
Unilever	40
U.D.T.	4
Utd. Drapery	9
Vickers	24
Woolworths	6½

Property

Brit. Land	7
Cap. Counties	9
Land Secs.	25
MEPC	17
Peachey	13
Samuel Props.	12
Town & City	2

Oils

Brit. Petroleum	98
Burmah Oil	20
Charterhall	12
KCA	11
Premier	12
Shell	35
Tricentrol	35
Ultramar	50

Mines

Charter Cons.	18
Cons. Gold	52
Lonrho	12
Rio T. Zinc	36

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 24

FINANCIAL TIMES

Saturday March 15 1980

MAN OF THE WEEK

Problems for the driver

BY IAN HARGREAVES

PHILIP CALDWELL joined the U.S. Navy the day after Pearl Harbour. The analogy between this situation and his assumption this week of the chairmanship of the Ford Motor Company is a tempting one. Mr. Caldwell becomes the first non-member of the family which invented mass car assembly to head Ford at a time when over a quarter of its U.S. labour force is laid off and when the North American Motors division has stacked up losses of $1bn for last year, with internal forecasts suggesting a similar loss this year unless drastic action is taken.

The headlines have started to read: "Is Ford a second Chrysler?" In a reference to the company which last year chalked up the biggest loss in U.S. business history and whose survival is still dependent upon the good graces of its bankers.

Although the comparison with *Chrysler is somewhat far-*fetched, Ford has been suffering loss of market share even more rapidly than Chrysler in the

Philip Caldwell
Putting Ford in a new direction

U.S. The company, anyway, took the headlines sufficiently seriously to include in its latest employee information film a shot of Mr. Caldwell responding to an assembly worker's anxious query: "Will the well run dry at Ford as it did at Chrysler?"

Mr. Caldwell is good at ques*tions like that, whether they* emerge in a noisy Press conference or in the preplanned atmosphere of the company public relations department. He is inclined to smile and, in a manner which never appears heated, offer a genial note of reassurance and then quickly back it up *with the relevant numbers.*

He is, in short, a manager's manager. Trained, after attaining the top procurement post in the Navy, at the Harvard Business School he is a model of the well-educated American businessman. Although not a specialist in any particular area *of business, he has performed* astutely and in one or two cases brilliantly in financial, planning, operational and even product design and marketing activities in a career which began at Ford in 1953. Crucially, he has also run the company's highly profitable international division, as has Mr. Donald Petersen, who becomes the company's president as a result of this week's reshuffle.

Born in Ohio in 1920, his personal life has also shaped itself in model top executive style. He is happily married with three children, is known locally as a prominent patron of the arts—the Detroit Symphony Orchestra has been a pet concern—and names his principal *hobby as collecting examples of* American decorative art of the 18th century.

But the question must be whether he is big enough to fill the shoes of Henry Ford the Second. There is no doubt that Henry Ford the Second thinks he is. It was Ford who, to the *dismay of some of the Ford top* brass, accelerated Caldwell's sprint to the top and who, by sacking hard talking and flamboyant Lee Iacocca from the President's job in 1978, cleared the way for Caldwell to assume the number one job of chairman and chief executive.

At the time there was much amazement that Ford, whose image is that of the last of the great dynastic rough-shod entrepreneurs, *should have picked* Caldwell. In so doing he has signalled his own view that Ford needs a broader spread of talent *at the top successfully to run a* worldwide business in the 1980s.

Henry II reaches his 65th birthday in three years' time, *his family retain 40 per cent of* the voting stock and he will stay head of the finance committee, providing what he himself this week called "the outside eye."

Another Ford, Mr. William Clay Ford, Henry's brother, will also be there at the top on Caldwell's four-man executive committee. But another member of the family, the youthful Mr. Benson Ford the Second, continues to be denied the top Ford post he has sought to acquire, even through legal action.

Civil Service pay limit set

THE GOVERNMENT last night began making pay offers to Civil Service unions within hours of announcing a cash limit for the Service which provides for an increase in wage costs of 14 per cent.

The cash limit is coupled with an announcement that manpower must be reduced by 2½ per cent, which will cause the *loss of 15,000 to 20,000 posts.*

The combination of the pay provision and the manpower savings will make 16½ per cent *available for pay increases.*

The speed with which the Civil Service Department has started to put forward pay offers to individual unions is an indication of the Government's determination to stick closely to the cash limit in order to regulate pay increases for the *600,000 white-collar civil* servants.

The announcement of the Civil Service cash limit and the confirmation that cash limits for other public sector groups are based on provisions for a 14 per cent pay and price increase came in replies to parliamentary questions.

Mr. Paul Channon, Civil Service Minister, said that, as promised in its election manifesto, the Government had reconciled the use of cash limits to determine Civil Service pay with the Pay Research Unit comparability system traditionally used to set Civil Service pay levels.

Further pay increases could be obtained by the unions from the staging of the eventual pay deal, due to come into force on April 1. The Government is *expected to begin negotiations* on staging with the unions next week.

Staging increases would mean that over the year average pay could be improved by 18 per cent, or more for some grades. This would be in line with the rises shown to be due by the PRU studies while still remaining within the overall cash limit.

A confidential letter sent to the unions yesterday by the Civil Service Department stated that the unions could not assume that "amounts emerging from pay research will necessarily be paid in full from April 1, 1980."

The letter, from Sir John Herbecq, second Permanent Secretary at the CSD, to Mr. Bill Kendall, secretary-general of the unions' National Staff Side, also makes *clear that* arbitration will only be possible on the amount of the increases and not their timing.

Even with the expected staging, the full amount of the pay award would be applied for pension purposes from April 1.

The cut in manpower costs, averaging a little under 2½ per cent, equivalent to about 15,000 to 20,000 jobs, is to be made *in addition to a cut of 20,000* posts last summer to help pay for last year's 25 per cent pay deal and the further three-year cuts of 40,000 jobs announced last December.

The only exemption from the cuts is to be made among prison staff. The cuts will be achieved as far as possible by wastage, though Mr. Channon said that a few compulsory redundancies *could* not be ruled out.

Further immediate cuts are unlikely. Mr. Channon said *that the Government had gone* about as far as it could in one year.

The pay of 160,000 industrial civil servants will also be limited by cash limits when they come to the negotiating table in the summer. Their numbers will also be cut.

Union general *secretaries* met Mr. Channon yesterday to protest against what they saw as a breach of their pay and *arbitration agreements.*

European MPs demand right to veto treaties

BY WALTER ELLIS IN STRASBOURG

THE European Parliament yesterday demanded the right to ratify all future EEC international agreements, including those involving enlargement of the Community.

In a resolution covering trade *relations between the Nine and* the Association of South-East Asian Nations (ASEAN), the European parliament said procedures for its involvement in the conclusion of international treaties were "extremely unsatisfactory." New procedures would have to be drawn up and *accepted by the EEC's member-*states and the European Commission.

The Parliament's political affairs committee will soon examine details of Greece's membership of the Community—due to start on January 1 next year—but accepts that it is too late for European MPs to urge any change in the existing agreement.

Officials say, however, that negotiations on the proposed membership of Spain and Portugal will be looked at very care*fully and that members will* insist on the right of ratification.

Last December the European Parliament threw the Community into unprecedented confusion by rejecting the 1980 draft budget. It was made clear Strasburg was not merely ex*pressing its disapproval of the* proposed budget but underlining its right as a democratically elected assembly to take political initiatives and to question the authority of the Council of Ministers.

On the substantive issue of relations with the ASEAN, the Parliament yesterday urged that use by made of an outline co-operation agreement recently concluded with the Commission "to improve protection of sensitive Community industries by appropriate, orderly marketing *arrangements.*"

Parliament noted that the Commission had started to impose quantitative restrictions on the import of certain finished goods from South-East Asia and urged the ASEAN to sign the latest General Agreement on Tariffs and Trade (GATT) deal *in the Tokyo* round as soon as possible.

The governments of the Nine were asked to support the eandeavours of the ASEAN to pursue a policy of neutrality and non-intervention in its relations with the U.S., the Soviet Union and China.

Shell favourite for titanium deal

BY JOHN ELLIOTT AND IVOR OWEN

THE Royal Dutch Shell Group *is the favourite to become the* major shareholder in a £30m titanium project being developed in Shotton, West Wales, to provide high grade metal for Rolls-Royce aero engines.

The National Enterprise Board launched the project last year as part of its role in encouraging new businesses. It was told by Sir Keith Joseph, Industry Secretary, to find private sector partners to take over its stake as quickly as possible.

Yesterday the Government announced that Rolls-Royce, which is already a minority partner in the project, will take over the NEB majority interest. But it is understood this is only a temporary measure and that Rolls-Royce will try to make a deal *with Billiton International* Metals BV, a subsidiary of the Shell Group.

The world shortage of titanium worsened in recent months and has increased the chances *for exports from Shotton. Other* interests from France, Germany or Japan may join the venture once the basic deal has been struck.

Billiton is a 110-year old Dutch company bought by Shell 10 years ago. It has since expanded its operations and, through a *subsidiary*, has various interests in the UK including lead production and Cornish tin. It is also a major trader on the London metals exchange.

The plant in Shotton is needed because Rolls-Royce uses a special sort of titanium for the hottest end of its aero engines. Up to now it has been supplied by ICI, which decided 18 months ago to pull out of the *titanium business in 1982 after* several years of losses.

Teeside was the first choice as the site for the new plant, but the steel-closure town of Shotton was then chosen. *Planning permission was re-*cently granted to the NEB's company, which is called Deeside Titanium.

Mr. Michael Marshall, Under-secretary for Industry, said in the Commons yesterday it was logical for the NEB to pass its majority interest to Rolls-Royce, because responsibility for the State-owned aero engine manufacturer would soon be transferred from the NEB to the *Industry Department.*

But it is understood that the main reason is to allow Rolls-Royce and the Industry *Department to be directly in-*volved in forthcoming negotiations which both hope will lead to a deal with Billiton.

A third partner in the venture, with a small financial interest, is IMI, which processes the basic titanium for Rolls-Royce.

Furness Withy board backs bid

BY WILLIAM HALL, SHIPPING CORRESPONDENT

THE BOARD of Furness Withy, one of Britain's biggest shipping companies, is recommending shareholders to accept a £112.5m bid from the C. Y. Tung group of Hong Kong, one of the world's largest shipping groups.

Orient Overseas Container (Holdings), the quoted arm of *the Tung group, first approached* Furness Withy last month with a bid worth £96.5m, or 360p per share. Since then there has been considerable behind-the-scenes manoeuvring and Orient Overseas has agreed to increase its bid to 420p per share.

The shares closed at 385p ahead of the news of the increased offer.

In addition, it is offering Furness Withy shareholders the option of taking 420p nominal of 12 per cent guaranteed unsecured loan notes 1982. The notes will be unconditionally guaranted by the Hong Kong and Shanghai Banking Corporation.

Orient Overseas has given various assurances to Furness Withy about safeguarding employment and has stressed that there will be no redundancies.

Mr. Brian Shaw will remain as chairman and chief executive of Furness Withy and has been invited to join the Orient Overseas board.

Mr. Shaw said last night Mr. C. H. Tung, chairman of Orient Overseas, had given a personal assurance there would be no reduction in the number of *Furness Withy ships on the UK* register.

The C. Y. Tung camp already owns 5.31 per cent of the Furness *shares, and the* Furness directors intend to accept in respect of their 0.16 per cent.

Rea Brothers, the merchant bank advising Furness, is believed to influence another 15 to 20 per cent of the equity and has indicated that it will recommend acceptance of the offer.

BSC sends customers to its competitors

BY ALAN PIKE

THE BRITISH Steel Corporation is putting customers in touch with its competitors to help them find steel during the national strike, Mr. Gordon Sambrook, commercial managing director, said yesterday.

Mr. Sambrook said this was a "grievous thing to have to contemplate" but if BSC did not assist its customers it would lose contact with them completely.

He was speaking at a Press conference at which Sir Charles Villiers, BSC chairman, appealed to the strikers to appreciate that the Corporation's 14 per cent "final" pay offer was the most the industry could afford.

"I cannot tilt the balance of survival any more in favour of the pay offer," he said. The workforce had to understand that if the steel corporation raised prices to finance a pay settlement it simply lost customers.

The corporation is reconciled to the fact that, even with a swift end to the strike, it will lose 5 to 6 per cent of its market-share this year.

Sir Charles urged the workforce to understand that they must "fight imports rather than fight BSC," otherwise more jobs would be lost.

Latest on steel strike, Page 4

Charles to attend Rhodesia ceremony

By Bridget Bloom in Salisbury

PRINCE CHARLES will represent the Queen when Rhodesia becomes fully independent as the Republic of Zimbabwe at mid-night on April 17, five weeks later than Britain originally intended.

Announcing the independence date yesterday, Lord Soames, the Governor, said Mr. Robert Mugabe, Zimbabwe's new Prime Minister, had been "most pressing" that Britain should stay on, principally to give his new and inexperienced cabinet time to work itself into office.

Lord Soames said that in their initial conversations Mr. Mugabe had suggested Britain "should stay on in some way or another" after independence.

It was decided this was "neither possible nor sensible" and it had therefore been agreed to delay independence for sevral weeks.

Lord Soames wil return to Britain on Sunday for three days of consultations with Lord Carrington, the Foreign Secretary, and other members of the Cabinet on Britain's future *relationship with Zimbabwe.*

Mr. Mugabe has asked for a wide range of British aid and technical assistance for military and civilian training. Lord Soames acknowledged that now was "not a very good time for talking aid" but he hoped other countries could be persuaded to help Zimbabwe.

"Since we have got this far it would be a tragedy if we didn't do the rest with some style — and ungrudgingly too."

Weather

UK TODAY

MAINLY *dry in Western areas.* Cloudy with some rain in the East.

London, S.E., E., N.E. England, E. Anglia, E., Scotland, Orkney, Shetland

Cloudy. Occasional rain or drizzle later. Max. 7C (45F).

Cent. S., S.W., N.W., Cent. N. England, Channel Islands, Midlands, Wales, Lake District, Isle of Man, W., Cent. Scotland, N. Ireland

Dry, cloudy. Max. 8C (46F).

Outlook: Mainly dry. Some rain in South and near Eastern coasts. Cold at night.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	R	7	45	Lisbon	S	14	57
Amsdm.	C	5	41	Locarno	C	4	39
Athens	F	13	55	London	C	5	41
Bahrain	S	28	82	Luxmbg.	F	8	46
Barclna.	F	13	55	Luxor	S	28	82
Beirut	C	15	59	Madrid	F	13	55
Belfast	S	8	46	Majorca	C	11	52
Belgrd.	S	10	50	Malaga	S	15	59
Berlin	F	6	43	Malta	C	7	45
Biarritz	C	6	43	M'chstr.	F	6	43
Bmghm.	R	5	41	Melbne.	C	17	62
Blackpl.	F	7	45	Mex. C.	S	25	77
Bordx.	F	8	46	Milan	R	7	45
Boulgn.	C	7	45	Mntreal.	Sn	−3	26
Bristol	C	6	43	Moscow	S	2	36
Brussels	C	8	46	Munich	F	12	54
Budpst.	S	9	48	Nairobi	S	26	78
B. Aires	S	28	82	Naples	C	12	54
Cairo	S	21	69	Nwcstl.	C	6	43
Cardiff	F	7	45	N. York	Sn	S	36
Cas'b'ca	F	6	43	Nice	C	9	48
Cape. T.	C	21	70	Oporto	C	12	54
Chicago	S	2	36	Oslo	C	2	36
Cologne	S	11	52	Paris	R	6	43
Cpnhgn.	C	2	36	Perth	C	33	91
Corfu	S	14	57	Prague	F	9	48
Dublin	C	7	45	Reykjvk.	R	3	37
Dbrvnk.	C	8	46	Rhodes	S	15	59
Edingh.	F	8	46	Rio J'o	S	32	90
Faro	C	16	61	Rome	R	10	50
Florence	C	12	54	Salzbrg.	F	13	55
Frankft.	C	8	46	Stckhm.	S	5	41
Funchal	C	16	61	Strasbg.	F	9	48
Geneva	R	2	36	Sydney	S	25	77
Gibrltr.	C	14	57	Tangier	S	14	57
Glasgow	S	9	48	Tel Aviv	C	16	61
G'nsey	F	6	43	Tenerife	C	14	57
Helsinki	S	−1	30	Tokyo	R	9	48
H. Kong	S	20	68	Toronto	Sn	−2	28
Innsbrk.	F	13	55	Tunis	C	9	48
Invrnss.	S	6	43	Valencia	S	14	57
I.o.Man	S	8	46	Venice	C	12	54
Istanbul	C	5	41	Vienna	S	10	50
Jersey	F	6	43	Warsaw	S	2	36
Jo'burg	F	20	68	Zurich	C	6	43
L. Plms.	F	21	70				

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow.

Continued from Page 1

Edwardes

The main element in the swing from profit to loss was *a severe set-back suffered by* BL Cars which reversed from a £63m trading profit in 1978 to a loss of £45m last year.

BL Cars was hit badly by the UK engineering industry dispute last autumn and losses directly related to that dispute are estimated at about £50m.

The group is ahead of target with planned manpower reductions. The workforce dropped by 19,000 last year. BL allocated £10m in 1979 as the cost of manpower reductions. In addition there were £13m of extraordinary costs associated with the planned reductions in capacity.

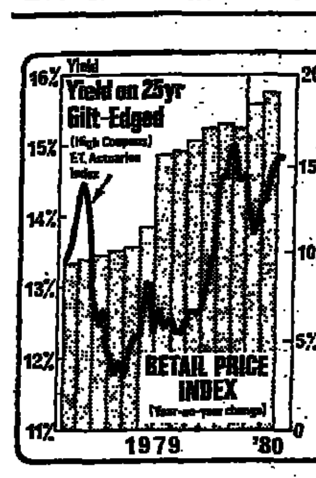
THE LEX COLUMN

Midland keeps up with the pack

With U.S. interest rates still rising, the firmness of the dollar and the weakness of commodity prices have persisted in the last few days, ahead of the Carter package. The major world financial markets have retraced the paths they followed in January and early February; while the boom in equities has *fizzled out, bonds have looked* much firmer.

In London, equities as measured by the FT 30-share Index have fallen 3½ per cent this week and are nearly 10 per cent down from the levels of mid-February. But gilt-edged have held their own despite high dollar rates and an ambiguous set of banking figures; recessionary pressures are building up and the Budget, promis*ing a lower public sector deficit* in 1980-81, is only days away.

Index fell 7.1 to 439.9



Midland Bank

Although *Midland Bank's* pre-tax improvement of 36 per cent to £315.5m looks rather less healthy than the 49 per cent recently reported by Lloyds and the 44 per cent achieved by National Westminster, appearances can be deceptive. There have been significant changes in *Midland's holdings in subsidi-*aries and associates with the sale of its interests in Bland Payne and Standard Chartered, without which Midland reckons it would have reached around £340m, a gain of 47 per cent. In fact the bank reckons that its underlying performance has *been much in line with that of* the other two, with pretty well all the gains coming in domestic banking profits which jumped 70 per cent to around 60 per cent of the total. Elsewhere international banking was some 10 per cent ahead—better than Lloyds but a little behind Nat*West—and this accounts for* about a quarter of overall profits. Other activities represent the remaining 15 per cent or so.

The main interest in Midland continues to lie in its thrust for expansion. Although its growth in sterling is held back by the corset (and incidentally *it claims that although it was* in the penalty zone in January it was out again last month) its currency footings appear to be expanding at a very rapid pace, to judge by the overall 30 per cent jump in group deposits to just over £18bn last year. Even excluding a French acquisition, deposits rose by a quarter—which compares with the 18 per cent disclosed in the Lloyds annual report earlier *this week. Frustrated over the* Heller deal last summer. Midland continues to search for an acquisition in the U.S., though the bank makes it clear that it is not going to rush into anything.

The need to keep its balance sheet ratios strong ahead of an acquisition may partly explain Midland's relatively meagre 16 per cent gross dividend rise, which compares with over 30 per cent for both Lloyds and NatWest. But then, Midland has *for some years paid out more* than the others, and at 330p still has a higher yield than the others at 9 per cent; the p/e ratio is 3 on an historic cost basis, 8.8 on a current cost calculation. Immediate prospects look reasonable, with base rate probably staying at 17 per cent for a while longer. But the stock market continues to brood about the surge in costs (bank staff turned down a 17 per cent pay offer this week), possible tax measures in the Budget and the prospects for an eventual sharp decline in interest rates.

BL

The purely financial news from BL is ghastly: the company is running through its equity again. Under the pressure of the engineering strike, BL turned into loss in the second half of 1979, and the pre-tax deficit for the year has emerged at £122.2m, after a profit of £1.7m in 1978. BL is understandably coy about the level of its cash deficit, but with capital spending of £260m and a notorious stock problem, the outflow must have been over £400m. Nor is BL keen to disclose current cost earnings, unlike BP and Midland Bank, at the other end of the profits spectrum, which regard them as a more *reliable guide than the historic* accounts.

However, it seems extremely unlikely that the Government will allow BL to collapse just as it has covered the initial spending programme on the new Metro model, due to be launched in October. The company has said that it is looking at cash, not profits, this year—it is already forecasting a loss by the car division—but the real focus *of its attention must be market* share. If BL Cars' share of the UK market cannot be lifted off its 15 to 17 per cent floor, there is a real danger that Leyland will find dealers defecting on a very large scale. At the moment the group probably has too large a dealer network for its needs, but if *the number of outlets* were to shrink substantially it would be almost impossible for Leyland to recover to, say, a quarter of the market, and its sales base might then be too small for survival.

The present price-cutting, then, is as much a holding operation to ensure that the dealership network is intact when the Metro and, later, the Honda Bounty are launched as *it is an exercise in de-stocking.*

Although the fiercest battle is in the dealers' showrooms, BL's labour relations will continue *to dominate public attention*—the company has started blaming its falling market share on the uncertainty created by the five-month pay negotiations at BL Cars. But the management is probably winning this battle: working practices in the truck division are now good, *and after 19,000 redundancies* (now referred to as "de-hirings") last year, the back of the over-manning problem has been broken.

So the workforce is bearing the brunt of BL's third insolvency, as the company's shareholders and the British tax*payer respectively bore the cost* of the first two.

Furness Withy

Although the C. Y. Tung group has succeeded in winning the agreement of the Furness Withy Board to a revised bid *of 420p cash a share, against* the original 360p, and compared with a market price last night of 385p, it could still face some tricky navigational problems if the bid is not to be torpedoed by a Monopolies Commission reference. As for the terms though Furness obviously found this was an offer it could not refuse, it is hard to see how Tung can make money by paying £112½m for a company which made only about £3m in 1979, and will probably make no more than £10m this year.

Registered at the Post Office. Printed by St. Clement's Press for and published by the Financial Times Ltd., Bracken House, Cannon Street, London, EC4P 4BY.